RISUN

China Risun Group Limited
中國旭陽集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1907

Environmental, Social and Governance Report 2025

CONTENTS

I. Overview

Report Description

Reporting Release Cycle

The time scope of the report is from January 1, 2025, to December 31, 2025, and some contents may be beyond it.

Report Organization Scope

The report covers the relevant data of China Risun Group Limited and its major subsidiaries. For the convenience of expression, the report also uses terms such as "Risun," "the Group," and "we", etc.

Report Compilation Principle

This report has been compiled in accordance with the *Environmental, Social and Governance Reporting Code* (Main Board Listing Rules Appendix C2) ("ESG Code") issued by the Hong Kong Exchanges and Clearing Limited ("HKEX"), and refers to the *Global Reporting Initiative (GRI) Standards* and the International Organization for Standardization (ISO) 26000:2010 Guidance on Social Responsibility.

ESG Reporting Principle

Materiality: This report follows the materiality principle set by the Stock Exchange, disclosing the Board of Directors and ESG task force's review of ESG matters, stakeholder engagement, the process of identifying material issues, and the materiality matrix. Specific details on compliance are provided in the corresponding sections below.

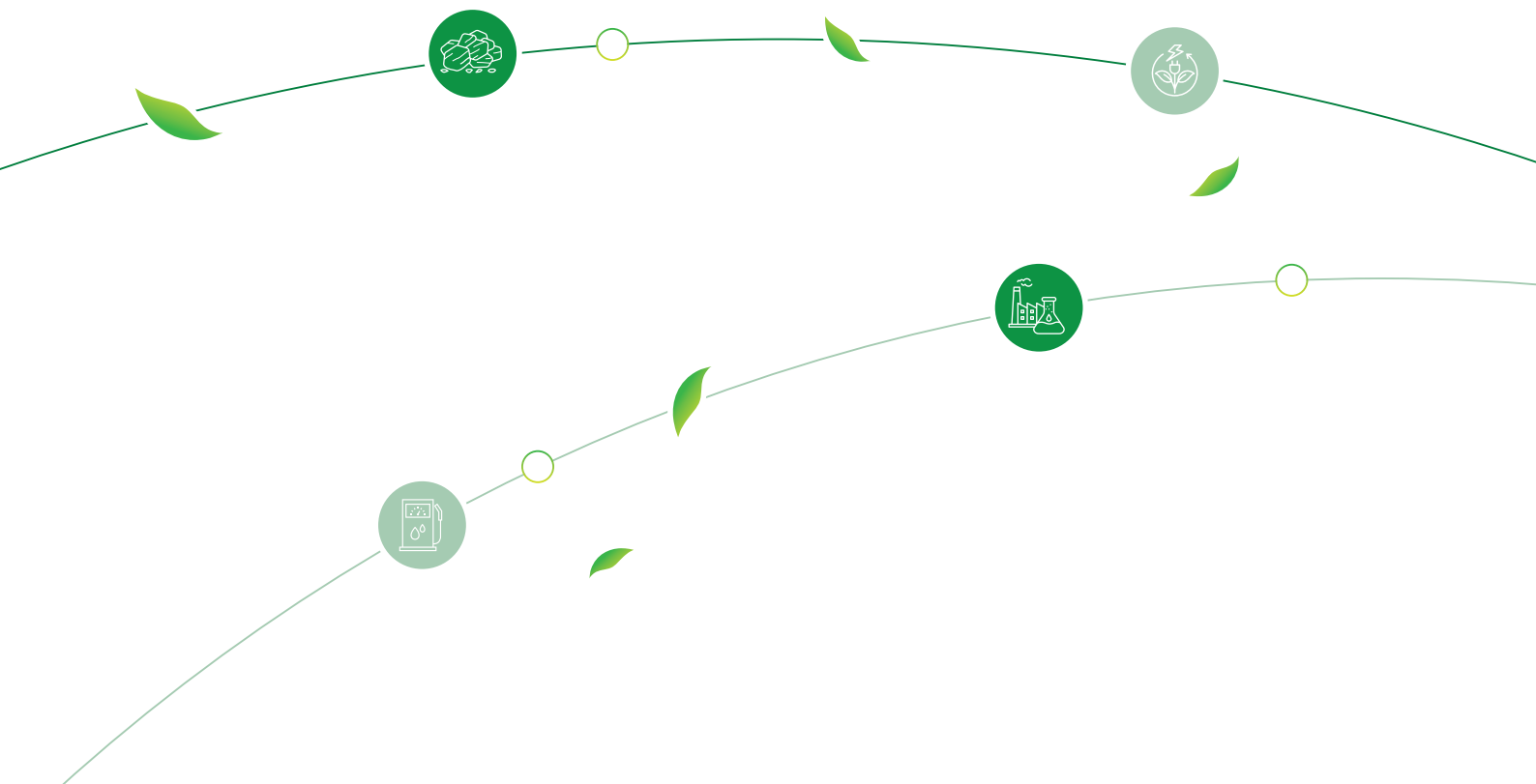
Quantification: The statistical standards, methods, assumptions, and/or calculation tools for quantitative key performance indicators in this report, as well as the sources of conversion factors, are explained in the report's definitions section.

Consistency: The statistical methods used for the data disclosed in this report remain consistent.

Currency Note: All amounts in this report that are not marked with a currency are denominated in Renminbi (RMB) by default.

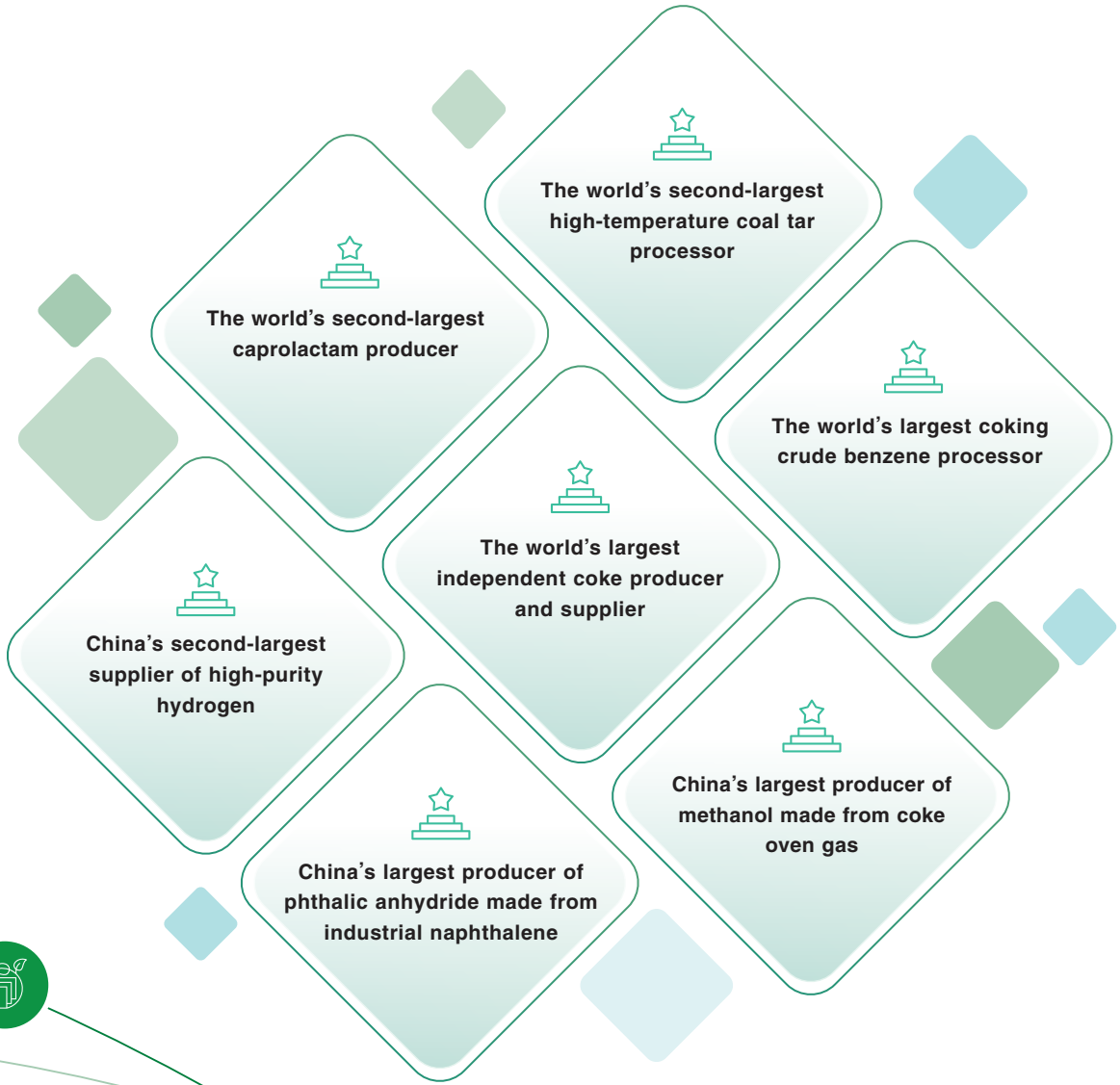
About Risun

China Risun Group Limited (1907.HK), established in 1995, is a large enterprise group with coordinated development across business segments including coke, chemicals, new energy, and new materials. 2025 marks not only the 30th anniversary of Risun's founding, but also a significant milestone for the group as it formulates its seventh five-year development plan. Looking back from this special juncture, we have expanded from Hebei to the entire country, and then from China to the world. Listed on the Main Board of the Hong Kong Stock Exchange, the group has established dual headquarters in Beijing and Hong Kong, with operations spanning 41 countries and regions across Asia (including Southeast Asia), Europe, North America, and South America. It currently has 11 overseas subsidiaries and offices.



I. Overview

The group has established three unique chemical industry chains – carbon materials, alcohol & ammonia, and aromatics – starting from coke, capable of producing 58 products across five major categories. It operates 19 coke production lines, 56 chemical production lines, and 5 high-purity hydrogen production lines, with a total annual operating capacity of 29.93 million tons (23.7 million tons of coke and 6.23 million tons of chemicals per year). Engaging in domestic and international trade, it has built a sales network and raw material supply channels covering the entire country and extending globally. The group has developed into:



I. Overview

The base is the carrier of Risun's industries. Since its founding, Risun has gradually advanced an integrated vertical development strategy, establishing a park-based development model in 2003. The industrial layout through parks represents the concrete implementation of Risun's vertically integrated development model. Risun's 1.0 version of parks centers on coking; the 2.0 version adds the chemical industry; and the current 3.0 version features a multi-industry layout based on these two core industries. These industries develop independently and survive autonomously, while also interacting, supporting, complementing, and collaborating with each other, creating a coupling effect and demonstrating unique advantages. Risun has established nine production bases domestically and internationally (Xingtai Base, Hebei; Dingzhou Base; Laoting Base; Cangzhou Base; Yuncheng Base, Shandong; Dongming Base; Hohhot Base, Inner Mongolia; Pingxiang Base, Jiangxi; Sulawesi Base, Indonesia). Those with annual revenues exceeding 10 billion yuan are striving toward 20-30 billion yuan, and those exceeding 5 billion yuan are aiming for 10 billion yuan, all while standardizing integrated management and operational centers, research and development centers, data centers, command and dispatch centers, and administrative service centers. Risun bases are constructed following the "five modernizations" model – integration, scaling, intensification, ecologization, and intelligentization – forming a "seven unifications" management model: unified development planning, unified infrastructure, unified operational management, unified energy management, unified logistics and transportation, unified safety and environmental protection, and unified research and innovation. Risun's vertically integrated park development model is both innovative and aligned with industrial realities, embodying Risun's industrial aspirations and representing a manifestation of its comprehensive competitiveness.

Safety, environmental protection, and quality are the lifelines of Risun. We adhere to safe, green, and low-carbon development, actively promote energy conservation and emissions reduction, develop the circular economy, and upgrade traditional industries to advanced manufacturing standards, achieving intelligence in equipment, manufacturing, and operations. We aim for high-quality, efficient, low-consumption, clean, flexible, and safe production – alternatively described as automated, informational, intelligent, flexible, and ecological production – striving to create new value in traditional industries. Risun proactively conducts environmental protection construction and management according to stringent standards, implements a series of in-depth governance projects, achieves ultra-low emissions, and advances toward ultra-ultra-low emissions. We have been recognized as a national-level green factory, green industrial park, demonstration enterprise for green supply chain management, and a leader in energy and water efficiency. We have established a rigorous quality control system, accurately identifying all critical quality control points throughout the entire process. Raw material and product quality testing, data collection, and transmission are fully automated, enabling full traceability of quality control. Product quality remains consistently stable over the long term, leading the industry, and we have received the Hebei Provincial Government Quality Award.

After 30 years of entrepreneurship, Risun Group has gradually shifted from a market-driven and investment-led growth model to a service-led and innovation-driven development model, embracing customer-centricity and value creation for customers, with market orientation and demand targeting. By addressing customers' customized and differentiated needs, we have promoted the establishment of an integrated operational management system encompassing sales, logistics, production, supply, and research. This marks a transformation from traditional mass manufacturing – producing first and selling later – to service-oriented manufacturing that produces according to demand. We focus on enhancing profitability for existing industries and supporting future growth by establishing a three-tier independent innovation system across "the group, industrial parks, and companies." Centered on product lines, we have set up 16 group-level research institutes and built a research team of over a thousand members, with more than 120 Ph.D.s as core leaders, creating a full-industry-chain R&D pipeline covering "idea generation – lab-scale testing – pilot testing – engineering design – industrialization." Leveraging our core competencies in replicability, portability, and digitalization, we continuously provide operational management services to the industry. To date, we have successively managed 20 companies and are currently operating and managing 8 companies with a combined annual capacity of 7.08 million tons of coke and chemicals, with plans to rapidly expand this scale further. With marketing and R&D at the core, we are comprehensively advancing the transformation of our production systems toward high-level digitalization and intelligence, shifting our organizational model from an olive-shaped to a dumbbell-shaped structure, transforming the traditional hierarchical functional system of subordinates reporting to superiors, overcoming homogenized competition, and evolving from cost- and efficiency-based manufacturing to innovative and service-oriented manufacturing.

We have utilized thirty years of continuous endeavor in entrepreneurship, creation, and innovation, relentlessly pursuing logical and fundamental growth, to evolve into a regionally renowned company with comprehensive capabilities and the capacity for sustained growth across cycles. We will continue to advance our entrepreneurial, creative, and innovative efforts without pause, steadfastly committed to logical and essential growth, accelerating the deepening of Risun Group's nationwide expansion and advancing our global development into multiple countries. Looking ahead to the next thirty years, we are firmly focused on becoming a globally recognized industry and service group, dedicated to achieving long-term, sustainable, healthy, and stable development by maintaining performance growth, expanding business scale, increasing value creation, and fulfilling corporate responsibilities. We aim to more actively and effectively support national strategies, drive industry upgrading, and deliver solid, consistent returns to shareholders.

I. Overview

Coke
Production
17,830.03 kilotons

Crude Benzene
Processing Volume
861.52 kilotons

Coal Tar
Processing Volume
1,283.53 kilotons

Methanol
Production
703.94 kilotons

Phthalic Anhydride
Production
157.86 kilotons

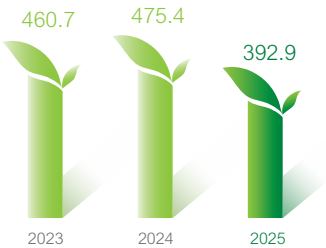
Caprolactam
Production
799.90 kilotons

High-Purity Hydrogen
Production
25,270,000 m^3

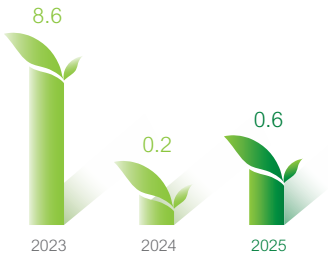
Group Performance from 2023 to 2025

Unit: 100 million RMB

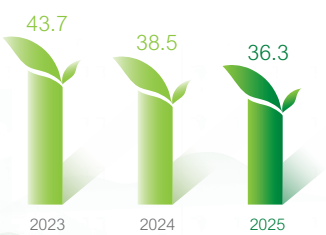
Total Operating Revenue



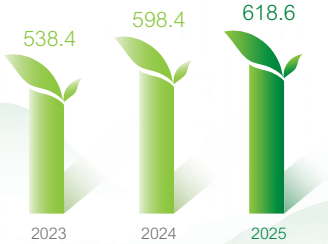
Net Income Attributable to the Parent Company



EBITDA[1]



Total Assets



1 EBITDA refers to earnings before interest, taxes, depreciation and amortization.

Chairman's Message

> In 2025, Risun celebrates its 30th anniversary – standing firm at thirty, vibrant and full of promise, with great ambitions unfolding and remarkable achievements taking shape. The external environment remains highly challenging, the outlook uncertain, and risks more unpredictable than ever. Throughout its three decades of entrepreneurship, Risun has consistently faced an uncertain reality, continuously advancing by overcoming one obstacle after another, and steadily growing by triumphing over repeated difficulties and challenges.
>
> The substantial material wealth and spiritual culture created by Risun Group over the past thirty years have enabled the Group to accumulate a highly robust and certain entrepreneurial capability, capable of responding to any external uncertainty. Compared to the first thirty years, when external conditions were more certain but internal conditions within Risun were less so, today – despite increasing external uncertainty – the internal conditions of Risun Group have become increasingly certain. This is the fundamental reason why Risun can continue to grow.

On the occasion of its 30th anniversary, the group released the *Risun Common Outline*, which primarily aims to summarize the history of entrepreneurship, creation, and innovation, distill the genes of longevity and the code of growth, position Risun within the broader historical context, and identify direction, clarify goals, and determine paths and methods. This Common Outline is less a summary or distillation than it is a product of the joint efforts and co-creation by the vast number of the employees and managers across Risun. It serves as Risun's fundamental charter, profoundly embodying all the core spirit and cultural essence of Risun. It uncovers the logical framework and essential truths of inevitable success from Risun's past instances of seemingly accidental achievements, and will undoubtedly guide Risun in bravely embarking on another thirty years of entrepreneurial endeavor.

Risun's entrepreneurial journey began in early 1995, driven by a greater pursuit of life ideals – not out of necessity or to improve living conditions, but purely to pursue higher life aspirations. Therefore, from the very beginning, Risun chose to strive together with the employees, aiming for organizational success, which is a distinct characteristic. Only an organization can continuously grow and achieve repeated success, build lasting vitality, and ultimately fulfill the pursuit of greater life ideals.

It is precisely for this reason that Risun was able to decisively choose entrepreneurship thirty years ago amid the sweeping tides of the era, setting aside its existing achievements and accumulations, starting from scratch, and growing from small to large and from weak to strong through repeated entrepreneurial cycles. At the outset, with an initial capital of 2.3 million yuan, the company recruited talent and attracted 80 employees to join Risun, forging ahead through fierce competition. Over thirty years of perseverance, Risun has advanced steadily through practical actions, demonstrating strength and delivering results. In 2025, the company achieved revenue of 39.286 billion yuan at the bottom of the industry cycle, maintaining a stable operational foundation despite widespread price declines across the sector. Operating cash flow reached 3.465 billion yuan, a year-on-year increase of 140%, with solid operational data serving as the best return on past efforts. Behind this leap lies the dual engine of strategic resolve and innovation capability. As the world's largest independent coke producer and supplier, the world's largest processor of coke-based crude benzene, the world's second-largest caprolactam producer, the world's second-largest high-temperature coal tar processor, China's largest methanol producer from coke oven gas, China's largest producer of phthalic anhydride from industrial naphthalene, and China's second-largest/largest in the Beijing-Tianjin-Hebei region supplier of high-purity hydrogen, we not only hold a leading industry position with a total annual production capacity exceeding 30 million tons but have also achieved green upgrading of traditional businesses. The chemical segment now accounts for 45% of revenue, and the strategic deployment of high-end products such as carbon materials and aromatics is gradually breaking free from the cyclical constraints of bulk commodities. With synergies among the three core sectors – coke, chemicals, and new energy – even during periods of industry overcapacity, profitability remains flexible through dynamic reallocation of resources across 80 production lines.

Chairman's Message

If production capacity represents the measure of a company's hard power, then the compounding accumulation of talent and technology is the true key to navigating cycles. In 1995, among the employees of Risun group, only one held a college diploma, and there were no doctoral or master's degree holders. Today, an innovation team led by 58 PhDs and 313 master's degree holders has brought about a qualitative change in talent density, directly driving the establishment of technological barriers. We have established 16 group-level research institutes around our product lines, own 8 national high-tech enterprises, and are equipped with a 130,000-square-meter pilot testing base and 20,000-square-meter laboratories. This has enabled us to develop 419 patented technologies and 570 proprietary technologies, achieving industrial transformation of 25 independently developed projects. At the same time, we deliver operational management services to export Risun standards, providing industry empowerment to coking and chemical enterprises, transforming our own experience into an industry benchmark. Looking ahead, we will deepen our global footprint, increase overseas investments, and extend our supply chain and sales network internationally, realizing our vision of becoming the world's leading energy and chemical company – innovating for the future.

Regarding Risun's genes and growth code, although they are innate, they can only be embraced, inherited, promoted, and expanded by the broad base of cadres and employees when integrated with Risun's endeavors, thereby becoming the organization's genes and growth code. Through our shared process of entrepreneurship, creation, and innovation, we have generated Risun's genes and growth code:

In the process of entrepreneurship, creation, and innovation, we have learned to recognize direction, define our position, and choose our path;

Through entrepreneurship, creation, and innovation, we have cultivated Risun's worldview, values, and corporate philosophy;

In the process of entrepreneurship, creation, and innovation, we have developed our own business model, operational model, and product and service model;

In the process of entrepreneurship, creation, and innovation, we have developed our own systems, mechanisms, governance models, operating mechanisms, and management and business models.

In the process of entrepreneurship, creation, and innovation, we have cultivated an entrepreneurial team, developed Risun leaders, built a distinctive team of cadres and the employees, and forged a Risun organization with strong cohesion, execution capability, combat effectiveness, creativity, and competitiveness.

In the process of entrepreneurship, creation, and innovation, we have developed the Risun Purpose, Risun Vision, Risun Belief, Risun Philosophy, Risun Spirit, and Risun Culture, which serve as the core spiritual driving force and an inexhaustible source of strength for the Risun organization;

In the process of entrepreneurship, creation, and innovation, we adhere to combining lofty ideals with short-term goals, integrating macro and micro perspectives, and uniting knowledge with practice. By persisting in self-criticism, we have formed Risun's distinctive methodology for survival and development, unifying strategy and tactics.

In the process of entrepreneurship, creation, and innovation, we have developed Risun's distinctive core capabilities and competitive advantages, continuously progressing with the belief that there is no success, only growth – striving not only to win in competition but also to thrive in the era.

In the process of entrepreneurship, creation, and innovation, we automatically, willingly, and consciously form with the broad ranks of cadres and the employees a community of shared interests, a community of shared endeavors, and a community of shared destiny. These "three communities" are the fundamental guarantee for the enduring success of the Risun cause.

Thirty years ago, Risun Group chose to embark on its entrepreneurial journey with lofty ideals, firm beliefs, and strong determination, though it did not yet know exactly what to do, how far to go, or even how to proceed – only filled with passion, boundless energy, and a spirit of fearlessness toward hardship and sacrifice. It was precisely this relentless, sustained, and hardworking drive, combined with the surging tide of the times, that enabled all the managers and employees of Risun Group to create a remarkable presence and achieve great success. For three decades, Risun has earnestly pursued entrepreneurship with courage and the support of various parties, gradually gaining understanding of society, economy, market, industry, and corporate development, and accumulating the logic and core capabilities for long-term survival and growth. Today, Risun's business is expanding across the nation and reaching globally. In the future, it must strive to become a nationally and globally recognized industry and service group. While strengthening its regional presence, Risun should actively expand nationwide, aiming to become a well-known national enterprise within ten years. While establishing a nationwide footprint, it should gradually advance global expansion, aspiring to become a globally recognized multinational corporation within thirty years. In parallel with this nationwide and global development, Risun aims to build itself into an innovative manufacturing and service-oriented manufacturing enterprise.

Chairman's Message

In the face of varying stages and characteristics across different countries and regions, we must not only preserve the development models and management approaches established during the first three industrial and technological revolutions, but also innovate our development and management methods in accordance with the unique features of the fourth industrial and technological revolution, so as to remain at the forefront of our times. Looking ahead, as boundaries continue to expand, uncertainties are gradually increasing, and our understanding remains limited. The past thirty years have witnessed rapid, transformative changes – unimaginable three decades ago to anyone, any company, or any nation, whether globally or in China. Likewise, the next thirty years will bring even more profound transformations and accelerating advancements, such that no matter how intelligent or insightful people may be, accurate predictions will remain impossible. This is society. This is history. This is China. This is the world.

History over the past three decades, the past century, the past few centuries, and the past millennium has repeatedly demonstrated that human history – and the history of any nation – is inherently unpredictable. This unpredictability is the most fundamental truth of human history. Even when striking similarities occur, no two periods are ever truly identical, and it is precisely this uncertainty that drives each successive generation to strive forward. Talented individuals emerge in every era, each shaping their times for a few decades. No generation can exhaust or foresee the future entirely; history cannot end, nor will it ever end.

Although Risun cannot predict the development of future society or accurately foresee its own future, the company's more than 200-year history tells us that only by investing in the future is success possible. The modest achievements Risun has made over the past three decades have also been due to our firm belief in and investment in the future. Therefore, since today's Risun possesses greater material and spiritual wealth than it did at the time of its founding thirty years ago, we must invest in the future more boldly, on a larger scale, with greater determination, and at a faster pace. This is the only path – indeed, the sole way – for Risun to achieve sustained and even greater success in the future.

Many of the world's great companies share outstanding qualities, the most important of which is believing in the future and investing in the future. The development of the economy and society is driven by numerous groundbreaking technological inventions, exceptional companies, and outstanding products and services. Choice outweighs effort, and trends outweigh ability. We must have the courage to face the future and move toward it.

We must discard all illusions. No matter what happens, what changes occur, whether the situation is favorable or not, whether the environment is good or bad, we must firmly believe in the future, in the era, in society, in the nation, and in ourselves – believing that there is always a future, that the times are constantly moving forward, that society is continuously developing, that the nation is steadily improving, and that we ourselves will become stronger.

Past success does not guarantee future success, and past experience may not be suitable for the future – this has been repeatedly proven by countless outstanding enterprises. Risun must put down its burdens, forget past achievements, discard established experiences, break away from established traditions, reset everything to zero, empty itself, move forward lightly, keep pace with the times, society, and the nation, remain grounded, remain committed to hard work, and create a brighter tomorrow and the next glorious thirty years.

ESG Statement of the Board of Directors

The Board of Directors of China Risun Group Limited commits that the Group strictly complies with the Environmental, Social and Governance Report Guide in Appendix C2 of the *Main Board Listing Rules of the Stock Exchange of Hong Kong Limited*, and refers to the disclosure requirements of the Global Reporting Initiative (GRI) Standards and the International Organization for Standardization (ISO) ISO 26000: Guidance on Social Responsibility (2010).

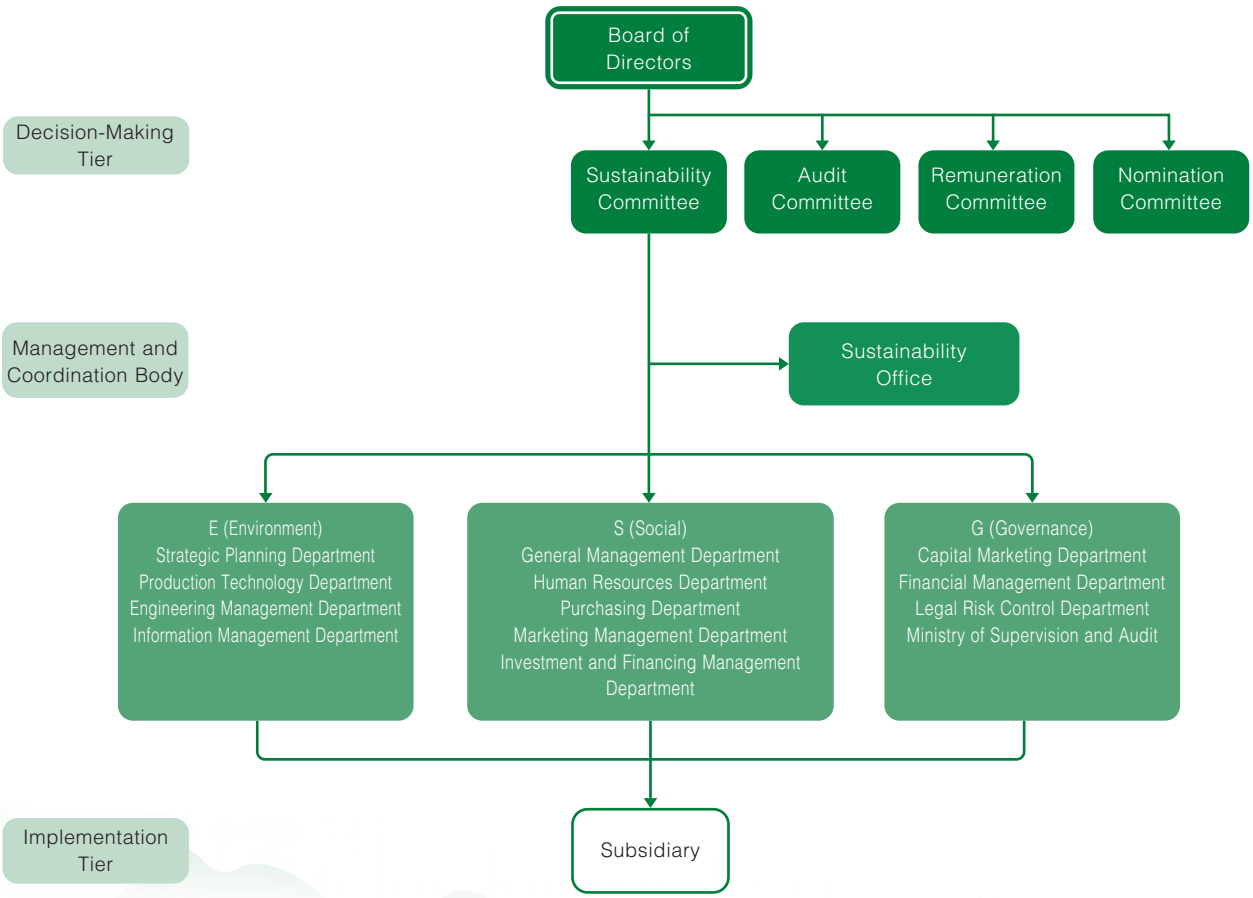
The Board of Directors is the highest responsible and decision-making body for ESG-related matters, responsible for monitoring the progress and implementation of the Company's ESG initiatives. The Board of Directors and senior management are accountable for the overall ESG strategy and reporting, regularly reviewing ESG performance and information disclosure, and deliberating on multiple ESG-related proposals concerning safety, environment, employees, investment, and more, providing unified guidance, decision-making, and driving the implementation of ESG objectives. The Group has established a three-tier sustainability management system, clearly defining the Board of Directors and the Sustainability Committee as the decision-making level, the Sustainability Office as the management and coordination body, and the functional departments and subsidiaries as the execution level, forming a clear, collaborative, and efficient closed-loop management mechanism of "decision-making – coordination – execution," deeply integrating ESG management into all business segments and operational processes of the Group.

The Group established the Sustainability Committee in 2024, elevating ESG management to the level of the Board of Directors. The Committee consists of no fewer than three directors and assists the Board of Directors in comprehensively managing the Group's sustainability and ESG-related matters. Its core responsibilities include establishing and reviewing the vision, goals, strategies, frameworks, and key policies related to the Group's ESG and sustainability, and making recommendations to the Board of Directors; assessing progress and performance in achieving ESG goals and vision; reviewing the implementation of relevant long-term corporate strategies and ensuring alignment between the Group's operational management and strategic direction; monitoring ESG industry trends and evaluating associated risks and opportunities; reviewing the Group's ESG rating performance; reviewing the corporate governance report and the ESG report in accordance with the requirements of the Main Board Listing Rules of the HKEX; monitoring the Group's compliance with ESG-related laws and regulations and international standards; regularly reporting to the Board of Directors on ESG-related matters to ensure consistency between the Group's performance, operations, and management and its strategy; and providing the Board of Directors with recommendations on development and implementation.

ESG Statement of the Board of Directors

The Sustainability Committee has established the Sustainability Office as the ESG management coordination body, responsible for advancing the implementation of the sustainability strategy, monitoring execution progress, regularly collecting data on the Group's ESG goals and performance, reporting to the Sustainability Committee and the Board of Directors, and coordinating various functional departments, subsidiaries, and other execution-level entities to fulfill ESG requirements. As the execution level, the functional departments and subsidiaries develop specific ESG work plans based on their respective business realities, fully implement all initiatives, strengthen engagement with internal and external stakeholders, and ensure the effective top-down communication and implementation of the Group's ESG strategy. This report was also reviewed and released in March 2026 by the Sustainability Office, the Sustainability Committee, and the Board of Directors.

In 2025, the Group, through the Board of Directors, reviewed the assessment of environmental, social and governance risks. Management has confirmed to the Board of Directors that, during the reporting period, the Group's environmental, social and governance risk management and internal control systems were effective.



02

Overview of **2025**

II. Overview of 2025

ESG Highlights and Performance

Green

Statistical Highlights

- The company has 5.3 billion cubic meters per year of hydrogen resources and has cumulatively obtained 10 patents related to hydrogen energy.

  Note: The company has an annual coke production capacity of 23.70 million tons. Based on the estimate that the coke oven gas generated as a by-product during the production of each ton of coke contains approximately 220 standard cubic meters of nitrogen, it can produce approximately 5.3 billion standard cubic meters of high-purity hydrogen as a by-product annually.

- Since its listing in 2019, the total financing raised in the field of sustainability-linked loans has reached approximately $1.275 billion.

Action Highlights

- Formulated and released the *Risun Group Biodiversity Policy and Zero Deforestation Commitment* and the *Risun Group Water Use and Conservation Management System.*
- The Group's Dingzhou Base is actively promoting CCUS projects for processes such as coke oven gas purification and recovery and chemical off-gas treatment, driving the quantified reduction and value conversion of greenhouse gas emissions.
- Some factories have established and implemented internal carbon pricing to internalize climate risks and transition costs.
- With 2030 as a key milestone, comprehensively advance low-carbon transition across eleven core areas.

Innovation

- The intelligent inspection robot system at the group's dongming base has been officially launched. Targeting "replacing humans with mechanization, reducing manpower with automation, and achieving unmanned operations with intelligence", it establishes a multimodal collaborative inspection architecture integrating mobile robots, fixed pan-tilt units, and smart terminals. This system reduces the employees' labor intensity and operational risks, providing technological support for stable production operations and high-quality development.

Efficient

- The "Intelligent Factory for Lean Management throughout the Coal Coking Process" at the Group's dingzhou base has been included in Hebei Province's "List of Advanced Intelligent Factories (First Batch 2025)". The constructed digital platform system deeply integrates next-generation digital technologies and spans the entire operational management process, enabling real-time optimization from production monitoring to resource allocation, thereby driving product quality improvement and lean resource configuration.
- Risun China Gas has been included in the "2025 5G Factory Directory" released by the Ministry of Industry and Information Technology, becoming a benchmark for industrial intelligence development.

Shared Prosperity

- By 2025, the group's operational management services will reach a total capacity of 7.08 million tons per year, including 6.3 million tons per year of coke and 780,000 tons per year of chemicals. The service network has further expanded into key regions such as Inner Mongolia, Ningxia, Sichuan, Henan, Jiangsu, Shandong, and Jilin, forming a nationwide multi-site layout with regional collaboration.
- On April 14, 2025, the group took the lead in organizing the meeting of the chair and vice-chair units of the China Coking Coal and Coke Brand Cluster at Risun Building, the group's headquarters. This meeting was the highest-level decision-making and consultation session since the establishment of the cluster, marking a new phase in the cluster's standardized and collaborative operations.

Share

- 7,131 the employees are on duty, with a 100% labor contract signing rate.
- The total training hours of employees reached 86,277 hours, with 156,001 training sessions conducted.
- 100% of the employees have undergone physical examinations, and 100% coverage of occupational disease examinations has been achieved.
- The total amount donated has reached 6.96 million RMB.
- Official website releases *China Risun Group Human Rights Policy Statement*.

Internationalization

- Deepening presence in the Indonesian market, leveraging the 3.2 million tons per year coking project in Indonesia to establish a global supply and marketing system, and building long-term strategic partnerships with major international steel enterprises in Southeast Asia, South America, India, and Europe to expand the international marketing network for coking products.
- In May 2025, Risun Weishan New Energy (Indonesia) Co., Ltd. obtained the "RISUN" trademark certificate in multiple categories and, as a founding member, jointly promoted the establishment of the Indonesian National Coking Industry Association.
- Accelerating overseas expansion, the company established an office in Brazil in August 2025. To date, it has set up 11 overseas subsidiaries and offices in regions including Indonesia, Singapore, and Japan, with business operations covering 41 countries and regions worldwide.
- Successfully selected for the "China Brand International Benchmark 100" list in 2025, the brand's international influence has been highly recognized by the industry and society.

II. Overview of 2025

Awards and Honors

Group Awards and Honors

The 10th Zhitong Finance Listed Companies Awards Ceremony – Best Energy and Resources Company

Zhitong Finance

2025 Hong Kong International ESG Annual Awards – Best ESG Digital Innovation Application Award

Hong Kong Ta Kung Wen Wei Media

The 6th Cailian Press Corporate ESG Forum and "Zhiyuan Award" Ceremony in 2025 – "Zhiyuan Award" for "Excellence in Sustainable Development Information Disclosure"

Cailian Press

2025 China Listed Companies Yinghua Demonstration Case Selection and the Most Favorite Listed Companies by Institutional Investors – 2025 Yinghua Award for Outstanding Investor Relations Cases of Hong Kong Stock Listed Companies

China Fund News

The 7th China Best Managed Companies – China Best Managed Companies (BMC)

Deloitte China

"Confidence for the Future, China Timing" Sustainable Value Hong Kong Summit and Excellence Case Awards for Hong Kong-Shanghai-Shenzhen Capital Markets – "Outstanding Sustainable Development Case Award" and "Best Overseas Expansion Enterprise Example"

Cailian Press, Shanghai Lingcan

Hong Kong's First World Brand Conference – "Top 100 Benchmark Chinese Brands for Internationalization"

International Brand Academy, Guangdong-Hong Kong-Macao Greater Bay Area Entrepreneurs Alliance, International Brand Network

Industry Association

The ESG Working Group of Petroleum and Chemical Industry

Indonesian National Coke Industry Association

China Coking Industry Association – Vice President Unit, Director Unit of Market Committee

Council Member Unit of China Iron and Steel Association

Member Unit of China Coal Industry Association

Council Member of China Petroleum and Chemical Industry Federation

Vice President Unit of the All-China Federation of Industry and Commerce Metallurgy Chamber

Chairman Unit of Hebei Provincial Coking Industry Association

Vice President Unit of Hebei Metallurgical Industry Association

Vice President Unit of Hebei Provincial Petroleum and Chemical Industry Association

China Coking Coal and Coke Brand Cluster

II. Overview of 2025

Awards and Honors of Subsidiaries, Joint Ventures and Associates

Cangzhou City List of Standardized Environmental Management Demonstration Enterprises for Hazardous Waste (First Batch)

Cangzhou Municipal Ecological Environment Bureau

Cangzhou Risun

National Civilized Unit

Central Leading Group for Publicity, Ideological, and Cultural Work

Hebei Risun

2025 Provincial "Robotics+" Typical Application Scenarios

Hebei Provincial Department of Industry and Information Technology

Hebei Risun

Hebei Province Doctoral Innovation Station Construction Project

Hebei Provincial Association for Science and Technology, Department of Education of Hebei Province, Hebei Provincial Federation of Industry and Commerce

Hebei Risun

Hebei Province "List of Advanced Intelligent Factories in 2025 (First Batch)"

Hebei Provincial Department of Industry and Information Technology

Hebei Risun

Key Construction Projects in Hebei Province for 2025

Hebei Provincial Development and Reform Commission

Hebei Risun

Third Prize of Hebei Province Metallurgical Science and Technology Progress Award

Hebei Metal Society

Xingtai Risun

Certificate of Scientific and Technological Achievement of Hebei Province

Department of Science and Technology of Hebei Province

Xingtai Risun

II. Overview of 2025

Hebei Province Coal-based Chemical Product Quality Testing Center

Hebei Provincial Market Supervision Administration

Xingtai Risun

Special Prize of Scientific and Technological Progress Award

Shandong Society of Chemistry and Chemical Industry

Dongming Risun

Certificate of Scientific and Technological Achievements of Hebei Province

Department of Science and Technology of Hebei Province

CNC Risun

Shandong Jiaozhou Colloidal Materials Technology Innovation Center

Shandong Provincial Department of Science and Technology

Yuncheng Risun

2025 5G Factory Directory

Ministry of Industry and Information Technology of the People's Republic of China

Risun China Gas

Hohhot Municipal Water-Saving Enterprises of the First Batch in 2025

Hohhot Municipal Bureau of Industry and Information Technology, Hohhot Municipal Taxation Bureau

Risun CHINA GAS

Hebei Province Manufacturing Single Champion Enterprises 2025

Hebei Provincial Department of Industry and Information Technology

Tangshan Risun Chemical

Honorable Law-Abiding Enterprise in Labor and Social Security, Hebei Province

Hebei Provincial Department of Human Resources and Social Security

Tangshan Risun Chemical

Hebei Provincial Society of Hydrogen Energy – First-term Council Members

Hebei Provincial Department of Civil Affairs, Hebei Provincial Association for Science and Technology

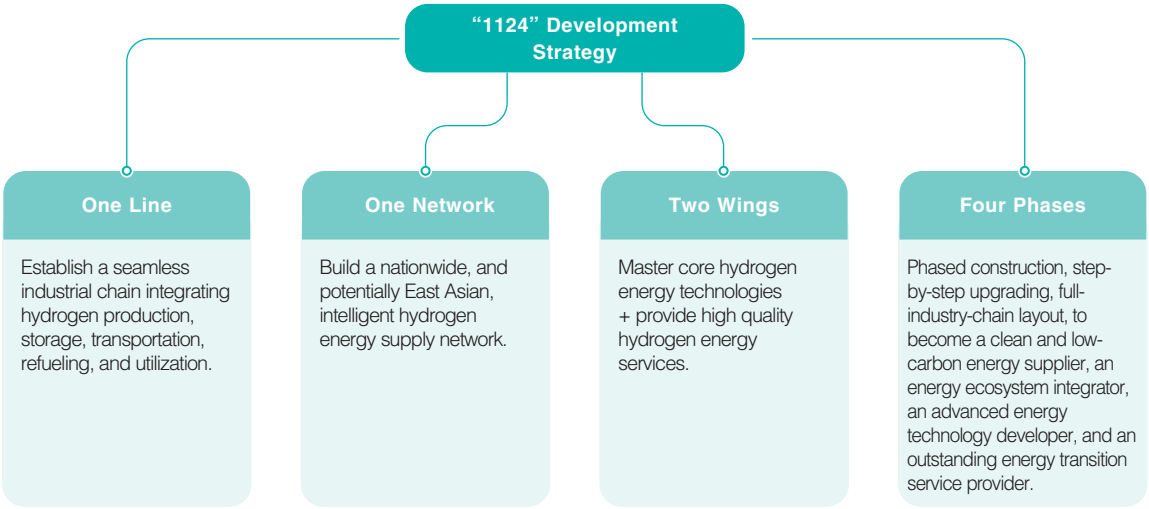
Risun Hydrogen Energy

II. Overview of 2025

Feature 1: "Hydrogen" Links the Ecosystem, Green Value is Created

Under the guidance of the "dual carbon" goals, the global energy system is undergoing a profound green transformation. As a leading coking enterprise, Risun views the development of hydrogen energy as one of the core pathways to achieve strategic upgrading and seize opportunities in clean technology. Risun actively responds to the national strategy, relying on a solid industrial foundation and forward-looking policy insights such as the *Risun Hydrogen Energy Development Plan* and the *Risun Hydrogen Energy 7th Five-Year Development Plan and 10-year Development Outline*, positioning hydrogen energy business as a key pillar to implement the group's energy strategy, support carbon neutrality, and create a new engine for business growth.

The group has established the "1124" development strategy centered on "one line, one network, two wings, and four phases", aiming to systematically establish a seamless industrial chain for hydrogen energy, build an intelligent supply network, and drive progress through technological innovation and high-quality services, ultimately positioning itself as a leading clean and low-carbon energy supplier and ecosystem integrator. Risun hydrogen energy fully leverages its comprehensive advantages in resource endowment, geographical layout, cost control, and technological leadership, taking the Beijing-Tianjin-Hebei region as the core to steadily advance an integrated layout covering hydrogen "producti on-storage-transportation-refueling-utilization+R&D". It is committed to building an efficient, collaborative, and low-carbon closed-loop ecosystem for the hydrogen energy industry, laying a solid foundation for the Group's sustainable future and broader societal energy transition.



Annual Highlights

- As of the end of the Reporting Period, the Group possesses hydrogen resources of **5.3** billion cubic meters per year, has cumulatively obtained **10** patent authorizations related to hydrogen energy, and approved for the construction of Hebei Province Hydrogen Energy Technology Innovation Center.
- Hydrogen sales volume reached **25.27** million standard cubic meters in 2025, an increase of **25.74%** compared to 2024.
- Consecutively passed the national clean hydrogen certification for three years, with carbon emissions throughout the entire production cycle significantly below industry standards.
- Completed and put into operation the **5,000** Nm^3/h hydrogen energy project at the Group's Laoting Base, increasing Risun's high-purity hydrogen production lines to **five** and boosting high-purity hydrogen capacity to **34** tons/day.
- In collaboration with the Aerospace Science and Technology Group, China's first integrated demonstration project for liquid hydrogen covering the entire chain of "production-storage-transportation-refueling-utilization" is being constructed at the Group's Dingzhou Base.

Current Progress

During the reporting period, relying on the integrated strategic layout of "production-storage-transportation-refueling-utilization + R&D", Risun group continuously deepened the closed-loop development of the full-industry-chain layout of hydrogen energy. Through the construction of four high-purity hydrogen production bases and a large-scale hydrogen refueling station network, a stable and efficient Risun hydrogen energy supply system was established in the North China market, promoting the transformation of industrial by-product hydrogen into diversified application scenarios such as transportation and municipal services. The group took the lead in or participated in the formulation of multiple industry standards, has consecutively received national clean hydrogen certification for three years, and achieved an advanced international level in carbon emission intensity.

Integrated layout of "production-storage-transportation-refueling-utilization + research"

- Production Capacity Layout: Established four high-purity hydrogen production bases in Dingzhou, Xingtai, Tangshan, and Hohhot, with five production lines totaling a capacity of 34 tons per day of high-purity hydrogen. The facilities have an annual carbon reduction capacity of 140,000 tons, ranking second nationwide and first in the Beijing-Tianjin-Hebei region.

  Remark: According to the industry average hydrogen energy substitution carbon reduction value of 11.46 $kgCO_2/kgH_2$. It is estimated that the company's annual production capacity is 12,240 tons (34 tons/day × 360 days), with corresponding annual carbon reduction capacity approximately 140,000 tons.

- Technology Research and Development
  - AEM Water Electrolysis for Hydrogen Production: Completed the initiation of a pilot project for AEM water electrolysis with a capacity of 10 Nm^3/h. Independently completed cell stack structural design, component selection, process route design, and flow field simulation.
  - Catalyst: Completed the development of PEM hydrogen evolution and oxygen evolution catalysts. This catalyst demonstrated no performance degradation after 200 hours of continuous operation in a two-electrode testing system, outperforming leading domestic and international platinum-carbon catalysts. Samples have been sent to Juna Technology for verification.
  - Biomass Hydrogen Production: Carry out a project on biological hydrogen production from organic wastewater, completing the design of fluidized bed equipment and system commissioning.

- Liquid hydrogen demonstration: Advancing the development of a three-dimensional hydrogen storage and transportation network integrating gaseous and liquid hydrogen. The outward hydrogen delivery capacity has reached 5.3 tons per day. The 5 tons/day liquid hydrogen demonstration project has entered the equipment installation phase, with liquid hydrogen purity reaching six "9" (≥99.9999%).
- Long-distance pipeline: The Dingzhou-Gaobeidian hydrogen long-distance pipeline project has obtained route approval opinions from 9 transit districts and counties.

- New station commissioning: The second integrated energy station in Dingzhou (Tanghe Bridge Station) has completed 21 procedural formalities and commenced operations; the LNG section of the Hohhot Integrated Energy Station has officially started operations; five hydrogen refueling stations in North China, with a total refueling capacity of 7 tons/day, have achieved full-load stable operation and full-process profitability.
- Equipment Maintenance and Safety: Completed regular inspections and fault repairs of safety valves, pressure gauges, and detectors at all stations to ensure safe station operations; completed safety and occupational health "three simultaneous" procedures for Tangheqiao Station.

II. Overview of 2025

Utilization

- Logistics scenario:
  - Expand zero-carbon logistics and general freight transportation services by establishing two operational routes: “Dingzhou–Xinji” and “Dingzhou–Hanxing”.
  - Stably operate 3 hydrogen energy heavy-duty truck routes, deploy 142 hydrogen energy logistics vehicles, with a daily transport capacity of nearly 4,000 tons.
- High-end application: Officially became a qualified supplier of Guangzhou Steel Gas electronic gases for Beijing, with hydrogen applied in semiconductor manufacturing at Beijing Changxin Integrated Circuit, meeting chip-grade usage standards.
- Main customers: Risun Hydrogen Energy’s high-purity hydrogen products meet the high-precision and high-purity requirements of electronic components and aerospace enterprises, and are widely used by Beijing Institute of Aerospace Testing Technology, China Aerospace Science and Technology Corporation Sixth Academy (referred to as “Aerospace 101 Institute”), Shijiazhuang Puxing Electronics, Beijing Hydrogenics, Zhangjiakou Communications Investment, Beijing Shougang Gas, Baoding Zhitong, and others.

R&D

- Intellectual Property: File 4 patents by 2025, lead the development of 1 group standard, and participate in the development of 1 industry standard and 3 group standards.
- Research Project: Participated in the Hebei Provincial Key R&D Program “Key Technologies and Demonstration of Integrated liquid hydrogen production, storage, transportation, refueling” system, and the Science and Technology Program of the State Administration for Market Regulation (undertaking two sub-projects); completed the development of normal-to-para hydrogen conversion catalyst and proton exchange membrane (PEM) hydrogen evolution catalyst, as well as the formulation of related group standards.
- Energy-saving technical renovation: Conducted distillation energy-saving optimization in collaboration with the methanol workshop at the dingzhou base, reducing steam consumption by 1 ton/hour.

II. Overview of 2025

Case

Risun Hydrogen Energy was elected as a founding council member of the Hebei Provincial Hydrogen Energy Society

On July 19, 2025, the Hebei Hydrogen Energy Society was officially established in Zhangjiakou City, gathering over 150 representatives from government, universities, research institutions, and hydrogen energy enterprises. Dingzhou Risun Hydrogen Energy Co., Ltd., a company under the Group, was elected as a founding council member unit, thanks to its leading industry position and strong reputation. Ms. Li Yanmin, a business executive from the company, was simultaneously elected as a council member of the first session. The society aims to coordinate industrial resources, break through key technologies, and optimize regional development to promote collaborative growth of the hydrogen energy industry. As a council member unit, Risun Hydrogen Energy will leverage the Group's full-industry-chain layout and R&D innovation capabilities in hydrogen energy "production, storage, transportation, refueling, application" to actively participate in the society's exchanges and collaborations, promote technology transfer, and support the high-quality development of Hebei Province's hydrogen energy industry.

Figure 2-1 Inaugural Conference of Hebei Hydrogen Energy Society

Case

Risun Hydrogen Energy has passed the national clean hydrogen certification for three consecutive years, with carbon emissions throughout the entire production cycle far below industry standards

Risun Hydrogen Energy under the Group has continuously strengthened clean hydrogen production and, in 2025, once again obtained certification under China's "Standards and Evaluation for Low-Carbon Hydrogen, Clean Hydrogen, and Renewable Hydrogen", becoming one of the first high-purity hydrogen suppliers in the country to receive this certification for three consecutive years. The carbon emission intensity across the full lifecycle of its high-purity hydrogen production is only 0.50 kg CO_2e/kg H_2, significantly lower than both the national clean hydrogen standard and the relevant EU limits, demonstrating Risun's technological strength and international competitiveness in low-carbon hydrogen production.

Relying on the Group's coke by-product hydrogen resources and proprietary processes, Risun Hydrogen Energy has established four high-purity hydrogen production bases, forming a full-industry-chain layout covering "production-storage-transportation-refueling-utilization". Currently, Risun has become the second-largest high-purity hydrogen supplier in China and the largest in the Beijing-Tianjin-Hebei region. Its products are widely used in hydrogen energy heavy-duty truck transportation and other fields. The Group is actively advancing demonstration projects for a liquid hydrogen full industry chain and green hydrogen layout, continuously building a low-carbon hydrogen energy ecosystem, and providing the Risun's solution for high-quality development of China's hydrogen energy industry.

II. Overview of 2025

Win-Win Collaboration

Risun, adhering to the philosophy of open collaboration and ecosystem-based mutual success, is actively promoting collaborative innovation and strategic integration within the hydrogen energy industry. The cooperation with Aerospace Science and Technology Group not only strengthens Risun's positioning in key areas such as liquid hydrogen, storage and transportation, and fuel cells, but also, through resource sharing and complementary capabilities, jointly expands the application scenarios and business models of hydrogen energy, injecting strong momentum into building a safe, efficient, and sustainable hydrogen energy industrial ecosystem.

China Aerospace Science and Technology Group	The Group, in collaboration with Aerospace Science and Technology Group, is building China's first integrated demonstration project for liquid hydrogen covering the entire chain of "production-storage-transportation-refueling-utilization" at the Dingzhou Base. relying on China's innovative breakthroughs and major achievements in large-scale hydrogen liquefaction technology using hydrogen expansion, the project has developed the first domestic hydrogen liquefaction system with a capacity of 5 tons/day based on hydrogen expansion technology. this not only breaks the foreign technological blockade but also opens the door to commercialization of civilian liquid hydrogen in China. Through this project, the Group is gradually establishing a closed loop of "liquid hydrogen plant-liquid hydrogen tanker transportation-liquid hydrogen storage-dual-mode (gas and liquid) hydrogen refueling station", expanding the supply radius of the Risun's hydrogen energy and significantly improving the efficiency of clean energy utilization, thereby supporting the integration of renewable energy sources such as wind and photovoltaic power.

Future Plans

Risun Hydrogen Energy will continue to rely on the national "dual carbon" strategy guidance and industrial policy support, adhere to the "1124" development strategy, and focus on building a comprehensive, scalable, intensive, networked, and diversified hydrogen energy ecosystem. Aligning closely with the Group's "7th Five-Year" strategic plan, based on the existing closed-loop full-industry-chain layout of "production-storage-transportation-refueling-utilization + R&D", and taking the establishment of a seamless liquid hydrogen industrial chain and the construction of a green energy system as the core, it will comprehensively advance business deployment.

On the marketing side, the plan is to achieve the annual hydrogen sales target, acquire several new customers, deepen cooperation with partners such as Aerospace 101 Institute to realize liquid hydrogen supply, reduce procurement costs by introducing low-cost transportation fleets, expand in-house general freight transportation capacity, and advance the informatization of loading and shipment operations.

In terms of project strategy implementation, the Group's focus will be on advancing the commissioning of the 5 tons/day liquid hydrogen demonstration project, simultaneously completing the expansion and renovation of liquid hydrogen refueling stations and the construction of skid-mounted stations along the line, thus closing the liquid hydrogen industrial chain loop. Risun's forward-looking planning will also be conducted for a 30 tons/day liquid hydrogen project, green hydrogen and green ammonia initiatives, as well as liquid hydrogen-powered heavy-duty truck demonstration routes, establishing a dual-driven framework of "clean hydrogen + renewable energy hydrogen".

In the field of research and development innovation, the Group will continue to advance the iteration and upgrading of AEM water electrolysis technology for hydrogen production, complete the acceptance of pilot-scale equipment, and initiate the design of larger-scale electrolyzers. Focusing on core material components, we will actively carry out R&D breakthroughs in AEM catalysts and membrane electrode assemblies, while also exploring cutting-edge directions such as electrocatalytic oxidation of biomass for producing high-value chemicals, thereby expanding the application scope of hydrogen energy technology. As these R&D projects progress steadily, we aim to achieve new advancements in patent applications and standardization, continuously enhancing the technological attributes and core competitiveness of the hydrogen energy segment.

In operational management, systems will be improved and regular initiatives will be advanced to enhance profitability by eliminating leaks, spills, and waste; in terms of safety, the liquid hydrogen project will complete the "three simultaneous" acceptance and emergency drills for major hazard sources; for integrated energy stations, digitalization of metering systems and technical upgrades to gas return systems will be promoted; the hydrogen transport fleet will establish a data-driven management system and introduce additional safety training on liquid hydrogen transportation; in the hydrogen production workshop, consumption indicator controls will be refined, and liquid hydrogen knowledge training will be organized in advance to build talent reserves for the new project's commissioning.

Through this series of targeted initiatives, the goal is not only to enhance the self-reliance, controllability, and overall competitiveness of the industrial chain, but also to provide replicable and scalable systematic solutions for the transformation of the national energy structure. These efforts actively support the integration of renewable energy, delivering substantial support for green and low-carbon industrial development and the stable, secure transition of energy systems at both regional and national levels, thereby creating long-term, sustainable economic, environmental, and social value.

Feature 2: "Digital Intelligence" Leading the Way for Long-Term Success

Accelerating digital development and unlocking the potential of data elements is an essential path for the high-quality development of Digital China in the new era, and a key driver for enterprises to transform, upgrade, and achieve sustainable development. As Risun Group, committed to the vision of becoming "the world's leading energy and chemical company – innovating for the future", we have consistently embraced the approach of "innovating for the future" and deeply integrated digital and intelligent initiatives into this strategy, supporting the Group's overall strategic development. The year 2025 marks the 30th anniversary of the Group's founding, a critical juncture concluding the "6th Five-Year Plan" and formulating the "7th Five-Year Plan", and an important year for advancing digital transformation in depth. Focusing on three core capabilities – platform empowerment, data empowerment, and deepening operational management services – the Group advanced three key initiatives: the digital and intelligent innovation platform, lean management, and smart manufacturing, laying a solid foundation for Risun Group's transformation from "large-scale manufacturing" to "service-oriented and innovation-driven manufacturing".

Annual Highlights

- Innovation-Driven Transformation: Since its listing, the Group has invested RMB **370** million in **165** digital and intelligent projects. In collaboration with Siemens Research Institute, it has broken through core technologies in coke production, driving the shift of traditional businesses toward service-oriented and innovation-driven manufacturing.
- Digital Intelligence Platform for Collaborative Empowerment: The Group independently developed the national-level "Risun Cloud" industrial internet platform, which integrates **55** industry-specific applications. The intelligent factory at the Group's Dingzhou Base has achieved the goal of "replacing workers with mechanization, reducing headcount through automation, and enabling unmanned operation with intelligence," reducing equipment failure rates by **60**% and earning recognition as an Advanced Intelligent Factory in Hebei Province. The Group's Hohhot Base has deepened the application of 5G technology in industrial scenarios, leveraging its high speed, low latency, and massive connectivity to overcome production bottlenecks, implement lean management, and enhance operational efficiency. This earned it a place on the "2025 5G Factory Directory" published by the Ministry of Industry and Information Technology, setting a benchmark for intelligent development in the industry.
- Data Empowerment for Cost Reduction and Efficiency: Leveraging the intelligent coal blending expert system, the Group accurately predicts coke quality indicators, saving hundreds of millions of yuan annually. It also added two operational management service projects, bringing total managed capacity to **7.08** million tons.
- In-House R&D to Empower the Industry: The Group has built a world-class R&D team, established a full-industry-chain R&D system, and implemented integrated operational management covering sales, logistics, production, supply, and R&D. Three-tier R&D institutions have been set up across all industries and product lines, fostering an innovation system characterized by all-employee engagement, comprehensiveness, systematic collaboration, originality, and uniqueness.
- Global Presence, Connecting Value: The Group's Sulawesi Base in Indonesia has exported products to **17** countries and served **51** customers, establishing long-term partnerships with multiple global mining companies. Through intelligent coal blending and a global footprint, the Group has achieved significant cost reduction and efficiency gains.

II. Overview of 2025

Current Progress

During the reporting period, the Group focused on the main strategy of "building a deeply integrated Risun Cloud to enable data-driven decision-making, deepening operational management services to promote diversified growth, and accelerating smart manufacturing to drive cost reduction and efficiency improvement." This strategy was integrated across horizontal and vertical business operations, establishing a full-chain collaborative support system and strengthening three core capabilities (data-driven decision-making, smart manufacturing, and operational management services). As a result, the Group achieved transparent and efficient operations while continuously improving quality, reducing costs, and enhancing effectiveness.

Building the Deeply Integrated Risun Cloud – Enabling Data-Driven Decision-Making

- Business requirements were screened through value assessments to improve project implementation efficiency. In 2025, 80 business requirements were collected, of which 34 were approved for initiation and 30 entered the implementation phase. A value assessment model eliminated 20% of low-value requirements, allowing resources to be concentrated on high-value projects.
- Full-process visual traceability in production management was achieved, breaking down information silos across all stages and establishing a closed-loop management system of "planning – execution – feedback – optimization." Data from all production stages were integrated to provide "strategic visibility for decision-makers, efficiency monitoring for managers, and task clarity for operators," effectively addressing key pain points such as difficulty in implementing plans, tracking progress, and tracing issues.
- Efficient on-site logistics management was realized. Pingxiang Base established an advanced logistics model covering the entire chain, all processes, all resources, all links, and all dimensions. Laoting Base in Tangshan achieved unattended weighing and coordinated transportation scheduling through hardware upgrades, system integration, and data interconnectivity, significantly improving the efficiency of vehicle entry and exit.
- A pilot digital transformation of R&D management was launched. The R&D digital platform was rolled out in pilot mode across Group, base, and company levels, enabling visualized project management and digitized experimental records, thereby facilitating the accumulation and reuse of technical data.
- Engineering bidding came under digital control. The Group-wide online bidding platform was launched in August 2025, ensuring full-process transparency, reducing compliance risks, and meeting audit traceability requirements.
- Multiple bases advanced the application of industrial robots, implementing the concept of "replacing manpower with mechanization, reducing manpower with automation, and achieving unmanned operation with intelligence." At Dingzhou Base, three rail-mounted inspection robots were officially put into operation in March 2025, collecting and intelligently analyzing key indicators such as furnace cover opening/closing, exhaust valve movement, equipment temperature, and combustible gas concentration. This created a new operational model of "remote monitoring from the central control room + automatic robot patrols," providing precise, efficient, and continuous safety assurance for production. At Dongming Base, the ammonia tank farm inspection robot was launched in October 2025, adopting a multi-modal collaborative inspection architecture combining "mobile robot + fixed pan-tilt unit + smart terminal." It continuously monitors (24/7) critical parameters of liquid ammonia spherical tanks, including pressure, liquid level, valve status, and leakage risks, covering 103 inspection points and 115 inspection items. The robot body, pan-tilt unit, and smart terminal were all independently developed by the Group and are suitable for ground-level explosive gas environments, effectively reducing labor intensity and operational risks for employees. At Yuncheng Base, the No. 2 coke oven inspection robot was put into service in November 2025, achieving significant upgrades in overall architecture, AI algorithms, and application functions, making Yuncheng Base the first within the Group to achieve full robot coverage for coke oven flues and basements.
- The IT service management system was implemented. A total of 53,756 IT service tickets were completed in 2025. Standardized systems and processes were established, deeply integrating industry best practice frameworks with business realities to build a standardized process system (SOP) covering nine core areas including requests and incidents. A professional IT service management platform was introduced to solidify standard processes, enable automation, and ensure end-to-end visibility and traceability across the service lifecycle, thereby enhancing management compliance, operational standardization, and user satisfaction.

- Refined control of funding costs: In 2025, new IT investment projects totaling RMB77.03 million were initiated. Through refined management, all expenses were strictly kept within reasonable ranges.
- Strengthened operational management support: Systems for treasury management, consolidated reporting, and data upload were successively launched; the ERP upgrade feasibility study was completed, enhancing capabilities in fund control, financial analysis, and decision-making support.
- Promoted supply chain and sales system collaboration: Coal supply and sales planning and execution systems were piloted and launched successively, improving the accuracy and transparency of coal procurement planning and execution, enabling timely and precise coordination between supply chain front-end and back-end operations. A global coal database covering 2,205 mining sites was established, providing intelligent support for procurement.
- Deepened lean management of coal blending: Cost reduction and efficiency improvement were achieved through industry-academia-research collaboration, implementation of the "Three Precisions" (careful design, in-depth analysis, precise execution), and waste resource utilization, while also empowering the industry with technological upgrades.

Deepening Operational Management Services – Boosting Diversified Growth for the Group

  - Industry-academia-research collaboration: Partnerships were established with research institutions such as Anshan Institute of Thermal Energy and Beijing Coal Research Institute to carry out projects aimed at improving coke quality for large blast furnaces. A classification and scientific evaluation method for coking coal applications was developed, successfully producing low-cost, high-strength, large-sized stamped coke and expanding the market for coke used in large blast furnaces.
  - "Three Precisions" implementation: A full-process coal and coke database was meticulously built, microstructures of coal and coke were analyzed in depth, coal blending schemes were precisely implemented, and synergistic high-sulfur coal blending technologies were developed, effectively reducing production costs.
  - Waste resource recovery: Through co-carbonization, 5,483 tons of hazardous waste (tar residue, acid tar, etc.) were processed annually. Coking sludge was used to prepare coal briquettes as feedstock for gasifiers, and the related project received a national invention patent authorization.
  - Industry empowerment: Coal blending profiles were established for over 40 coking enterprises, with regular technical benchmarking. Collaboration with universities led to the development of FTIR spectroscopy-based coal blending technology, increasing the blending success rate by 30%. The Coal Research Institute provides professional coal and coke testing services to the industry.

- Refined smart factory planning: The planning proposal for the Pingxiang Risun smart factory was developed. The Jin Niu Risun Smart Factory 2.0 construction plan was refined through multi-party collaboration, clarifying the development direction.
- Advanced the smart factory pilot for CNC Risun: The One-Click Coking project progressed steadily, with installation and commissioning completed for 54 equipment categories and automation debugging finished for 10 large vehicles. Upon completion, the project will enable unmanned operation of the five major coke oven vehicles and one-click unit operation, improving the working environment for employees and effectively reducing labor costs. Needs assessments and experimental trials were conducted for multiple projects including automated coal yard unloading, unmanned coke conveying belts, and unattended coal preparation belt systems. A series of preliminary technical evaluations were completed, laying a solid foundation for future implementation.

Accelerating Smart Manufacturing – Driving Cost Reduction and Efficiency Improvement

- The Group's Dingzhou Base, relying on the "Intelligent Factory for Lean Management Across the Full Coal Coking and Chemical Process," established multiple digital intelligent platforms covering safety and environmental protection, energy management, supply chain management, and production operations. By embedding next-generation digital technologies such as artificial intelligence and digital twins into all elements and stages of operational management, the base achieved real-time monitoring and optimization of production and operations, as well as precise and lean resource allocation. Various bases continued to advance the implementation of intelligent scenarios. Inspection robot projects at Dingzhou, Dongming, and Yuncheng Bases established a new safety control model using "technical protection" to replace "human protection," enhancing intrinsic safety and providing scenario support for smart factory construction.

II. Overview of 2025

Case

Hebei Risun Recognized as an "Advanced Intelligent Factory" in Hebei Province

In June 2025, following a rigorous assessment by the Hebei Provincial Department of Industry and Information Technology, the Hebei Risun Coal Coking and Chemical Full-Process Lean Management Intelligent Factory was recognized as a "2025 First Batch Advanced Intelligent Factory" in Hebei Province. This recognition is a strong endorsement of Risun Group's significant achievements in intelligent manufacturing, data interconnectivity, and lean management, marking that its digital and intelligent development has reached a leading level within the province and setting a benchmark for smart factory construction across the Group's bases.

Figure 2-2 Hebei Risun Coal Coking Full-Process Lean Management Intelligent Factory

Future Plans

Looking ahead, the Group will follow the Risun "7th Five-Year" Development Plan as a blueprint to drive digital transformation in depth. Achieve full coverage of intelligent applications: Roll out smart inspection, predictive maintenance, and intelligent autonomous operation projects across the entire Group, supporting improvements in labor efficiency and transformation of production models. Upgrade core digital platforms: Advance the Group-level ERP upgrade to achieve integrated business and finance operations and supply chain collaboration; complete the selection of an industrial internet platform to build a unified data foundation. Build benchmarks and shared services: Continue advancing the construction of benchmark smart factories, establish a Group-wide transportation management platform and an IT shared service center, and promote the transformation of management models toward intensification and value creation. Innovate business support models: Explore the establishment of a digital entrusted operation management services model, forming a closed loop of "experience digitization → service productization → operation automation" to enhance core competitiveness.

We will continue to deepen the integration of digital technology and physical manufacturing, driving comprehensive upgrades through digitalization and intelligence, and injecting strong momentum into the high-quality development of the Group.

03

Sustainable
Development Management

III. Sustainable Development Management

The Group places sustainability at the core of its strategy, building on sound corporate governance, a systematic ESG management framework, and a robust compliance & risk management system to advance high-quality, responsible development. During the reporting period, we further improved the sustainability governance structure to ensure that ESG principles are deeply integrated into operations and decision-making. Going forward, Risun Group will continue to deepen its sustainability practices, striving to enhance operational transparency and organizational resilience, creating long-term value while actively contributing to the achievement of global sustainable development goals.

(I) Corporate Governance

Corporate governance is the core foundation for sustainable development, holding profound significance for achieving long-term strategic objectives and safeguarding the rights and interests of stakeholders. The Group strictly complies with laws, regulations, and supervisory requirements such as the *Company Law of the People's Republic of China* and the *Listing Rules of The Stock Exchange of Hong Kong Limited*, continuously optimizing its corporate governance structure and improving decision-making, execution, and supervision mechanisms. We place great importance on interaction and communication with shareholders and other investors, maintaining smooth communication channels, and continuously advancing the standardization and transparency of information disclosure. These efforts effectively enhance corporate governance effectiveness and market credibility, providing a solid institutional foundation for the Group's steady and long-term growth.

1. Corporate Governance System

Corporate Governance Framework

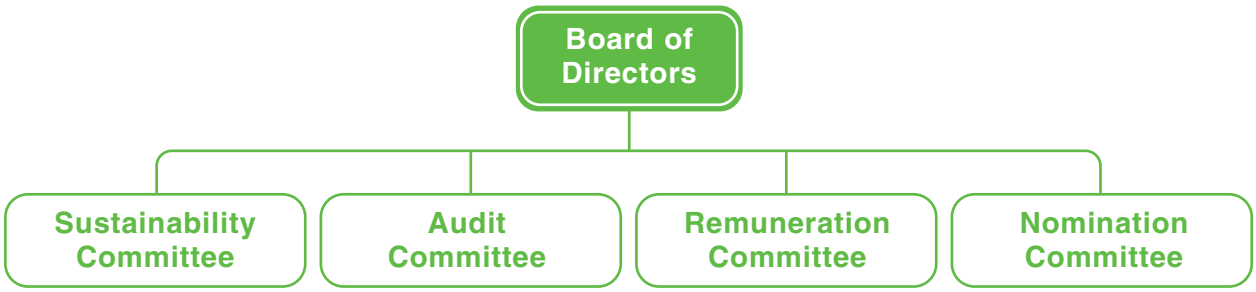


Figure 3-1 Corporate Governance Framework

Equity Structure

The Group's share capital structure is clear, and its governance mechanisms are well-defined. As of the end of the reporting period, Risun has issued a total of 4.454 billion ordinary shares with a par value of HK$0.10 per share. The Group follows the principle of "registration equals ownership confirmation", recognizing share rights based on entries in the register of members and not acknowledging any indirect holding methods (except as otherwise provided by law or the articles of association), in order to maintain clear share ownership. Shareholders' voting rights are generally implemented on a "one share, one vote" basis. Regarding shareholder rights protection, the *Company Law* issued by the Group systematically sets forth all core shareholder rights, including rights to asset returns, participation in decision-making, access to information, share transfer, and remedies, thus establishing a comprehensive mechanism for safeguarding shareholder interests.

Performance of duties

Board of Directors

The Board of Directors is accountable to the shareholders and has the duty to report their work to the shareholders' meeting. The Board of Directors is responsible for convening shareholders' meetings, executing resolutions passed at such meetings, determining the Group's operational plans and investment proposals, formulating the annual financial budget plan, year-end accounts, profit distribution plan, capital increase or reduction plan, and other related matters. The Board of Directors also decides on the establishment of the Group's management departments, the appointment or dismissal of senior executives, the chief financial officer, and other senior management, establishes the Group's basic management system, and determines the formation of special committees of the Board of Directors.

During the reporting period, the Group convened seven meetings of the Board of Directors.

III. Sustainable Development Management

✧ Diversity of the Board of Directors

As of the date of this report's disclosure,

The Group's Board of Directors comprises nine directors

Mr. Yang Xuegang, Ms. Lu Xiaomei, Mr. Li Qinghua, Mr. Han Qinliang, Mr. Wang Nianping, and Mr. Yang Lu

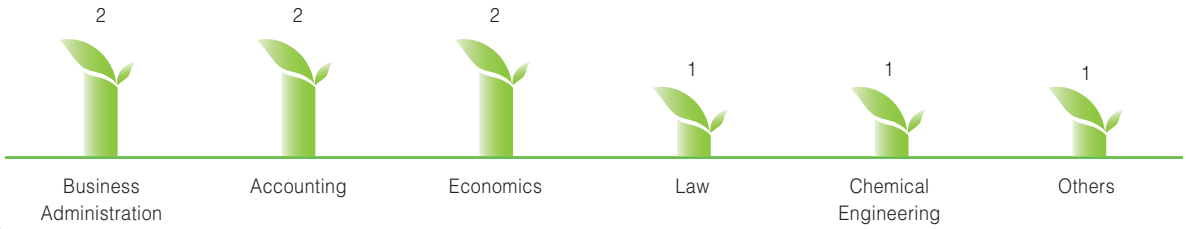
Dr. Yu Kwok Kuen Harry, Mr. Wang Yinping, and Dr. Liu Xiaofeng

Independent non-executive directors accounting for one-third of the total number of board members, in compliance with relevant regulatory requirements.

Among the 9 directors, there are 8 male directors and 1 female director, in compliance with the Board of Directors' diversity policy.

Our Board of Directors has diverse professional backgrounds and extensive experience in the coke and chemical industry. For example, Mr. Wang Yinping previously held several senior positions at Sinochem Group Co., Ltd. They hold professional degrees in various fields such as accounting, chemical engineering, and law, providing solid professional support for the Group's strategic decision-making and operations.

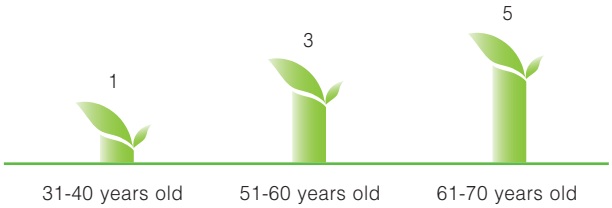
Table 3-1 Distribution of Professional Backgrounds of Directors on the Board of Directors of the Group



Note: Some directors have multidisciplinary academic backgrounds

Our Board of Directors has a wide age range, from 35 to 65 years old.

Table 3-2 Age Groups of Directors on the Board of Directors of the Group



✧ Board of Directors Independence

The Board of Directors has established the Nomination Committee, which effectively strengthens the support for directors' duties and ensures that the Board of Directors can obtain independent opinions. As of the date of this report's disclosure, the Nomination Committee of the Board of Directors consists of three members.

Nomination Committee Chair	Yang Xuegang	Executive Director
Nomination Committee Members	Yu Kwok Kuen Harry	Independent Non-executive Director
	Wang Yinping	Independent Non-executive Director

III. Sustainable Development Management

✧ Director Election and Removal

The Group follows clear and standardized rules for the election and removal of directors. With regard to director rotation, a system of rotational retirement is adopted, under which each director is required to retire at least once every three years at the annual shareholders' meeting. At each annual shareholders' meeting, one-third of the directors (or the nearest number not less than one-third if the total number is not divisible by three) shall retire by rotation; those retiring shall be the directors who have served the longest period since their last re-election or appointment. In cases where directors were appointed or re-elected on the same date, the order shall be determined by lot. Retiring directors are eligible for re-election. Regarding removal of directors, the Group may remove a director before the expiry of their term by passing an ordinary resolution; provided that such removal shall not affect the director's right to claim compensation for any breach of contract between the director and the company. In terms of board governance, the company may, by passing a special resolution at a shareholders' meeting, repeal, alter or amend its articles of association. Any alteration of the memorandum, amendment of the articles, or change of the company's name must be approved by a special resolution.

Senior Management

Senior management is responsible for the specific implementation of resolutions passed by the Board of Directors and the day-to-day management of the company's operations, including formulating the Group's operating plans and investment proposals, plans for establishing internal management departments, basic management systems of the Group, and specific regulations of the Group.

Special Committee

The Board of Directors has established four specialized committees: the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Sustainability Committee. During the reporting period, the professional committee held a total of 8 meetings.

Audit Committee	• Main responsibilities: Assist the Board of Directors in ensuring that the Group's financial reporting, risk management, and internal control systems are effective and in compliance with the main board listing rules, oversee the integrity of the Group's financial statements, appoint the Group's external auditors and assess their independence and qualifications, and ensure effective communication between the directors and the Group's internal and external auditors. • During the reporting period, the Audit Committee held a total of four meetings.
Nomination Committee	• Main responsibilities: Review at least annually the structure, size, composition and diversity of the Board of Directors, and make recommendations to the board on any proposed changes to align with the Group's corporate strategy; assess the independence of independent non-executive directors to determine their eligibility; and advise the board on the appointment, re-election and removal of directors, as well as on director succession planning. • During the reporting period, the Nomination Committee held one meeting in total.
Remuneration Committee	• Main responsibilities: Formulate and review the remuneration policies and structures for the directors and senior management of the Group, provide recommendations to the Board of Directors on employee benefit arrangements, and determine the vesting of share options granted under the share option scheme. • During the reporting period, the Remuneration Committee held two meetings in total.
Sustainability Committee	• Main Responsibilities: See ESG Governance Framework content. • During the reporting period, the Sustainability Committee held one meeting in total.

2. Investor Relations Management

Good investor relations are key to maintaining a stable shareholder base over the long term. We consistently place great importance on, and carefully consider, the opinions and suggestions raised by shareholders. To help shareholders and other investors promptly understand the progress of the Group's recent major projects, operating performance results, and future business development directions, we actively organize and conduct diverse investor engagement activities. Through proactive and effective communication, we not only continuously enhance our investor relations management, but also help investors gain a more comprehensive and in-depth understanding of the Group's business dynamics and strategic direction, while ensuring that we promptly respond to and meet shareholders' reasonable concerns and needs. Risun firmly believes that only by investing in the future can we win the future. The Group will maintain a more open and transparent posture, continuously strengthen investor relations management, and work hand-in-hand with the capital market to co-create another glorious thirty years ahead.

During the reporting period, the Group convened one shareholders' meeting, at which 13 proposals were reviewed and all were approved by more than 50% of the votes in favor.

Online	Publish news updates on the official website and WeChat official account to showcase the Group's recent project progress, operational performance, awards, and major project breakthroughs. Email response to shareholders and potential investors' questions.
Offline	The earnings conference conveys the Group's information to the market and facilitates communication with investors. — During the reporting period, one 2024 annual earnings conference was held, attended by 110 domestic and overseas institutions and 13,154 investors, participating either in person or online. Additionally, four mid-term 2025 results investor meetings were conducted, engaging approximately 80 participants from over 50 domestic and overseas investment institutions. Regularly organize reverse roadshow events, inviting investors to visit the production facilities and engage in exchanges. — On June 13, 2025, Risun organized a field research visit for 18 institutions to the Yuncheng Base and Dongming Base. By touring new material projects such as hexamethylenediamine and PA6, as well as intelligent manufacturing facilities, the company showcased the industrial progress of its chemical segment to the capital market and held in-depth discussions on industry trends and competitive advantages.

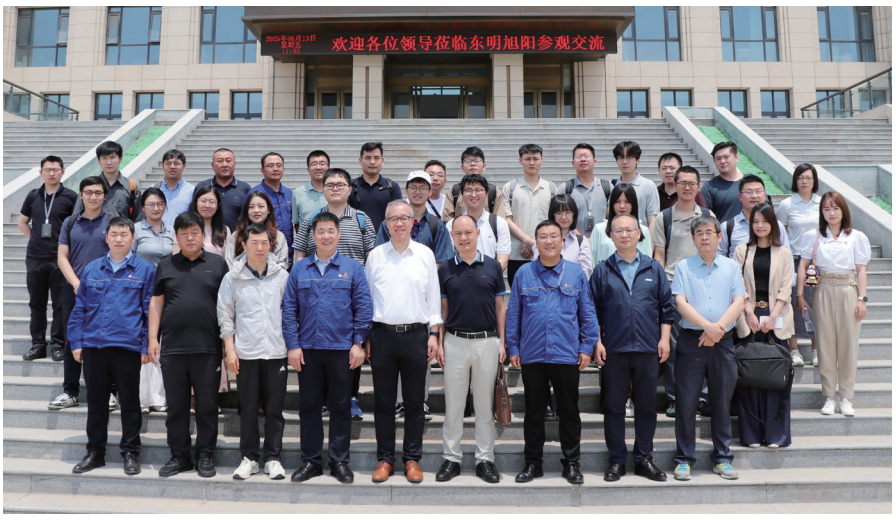


Figure 3-2 Field Research and Bases Visit

III. Sustainable Development Management

Case

The Group Held 2024 Annual Earnings Conference: Advancing Service Innovation and Deepening Internationalization Strategy

On March 31, 2025, Risun held its 2024 annual earnings conference at Beijing headquarters, bringing together over a hundred domestic and international institutions online and offline. The event comprehensively demonstrated the Group's leading position as the world's largest independent coke producer, as well as the outstanding performance of its chemical business, which has become the top pillar industry for the second consecutive year. The coking business now covers 129 cities across 26 provinces in China. The chemical division maintains its position as the world's second-largest caprolactam producer and is accelerating its expansion into a nylon-based new materials industrial cluster through the sequential commissioning of high-end new material projects such as 2-Amino-2-methyl-1-propanol and hexamethylenediamine. Meanwhile, the hydrogen energy industry is advancing in parallel, with hydrogen refueling stations operating stably and hydrogen-powered logistics vehicles running at scale. In terms of digital transformation, AI-enabled systems – represented by the intelligent coal blending expert system – have been deeply integrated into production and operations, establishing a data-driven lean management framework. Looking ahead, the Group will focus on eliminating inefficient assets, expanding business incrementally, and driving down costs while improving efficiency across systems. Leveraging overseas initiatives such as the Indonesia project, Risun will comprehensively advance its global strategy, moving steadily toward becoming the world's leading energy and chemical company – innovating for the future.

Figure 3-3 Group Earnings Conference

3. Information Disclosure

Since its listing, the Group has strictly adhered to the main board listing rules, upheld the principle of high transparency, and continuously provided investors with comprehensive, accurate, and timely information disclosure. During the reporting period, we released the *A Letter to Shareholders – Risun's Next Thirty Years*, which systematically outlined how the Group leverages core competencies accumulated over the past thirty years to achieve steady growth amid industry cycles, and articulated our vision to advance resolutely into a new phase of sustainable development through industrial upgrading, global expansion, and innovation-driven strategies. In addition, Risun has been disclosing ESG information since its initial listing and has published an independent ESG report annually for five consecutive years since 2021, continuously enhancing its non-financial information disclosure framework.

To continuously enhance the quality of investor communication, we actively expand diverse communication channels, including regularly organizing earnings roadshows and participating in industry investment summits, to conduct in-depth exchanges with investors on corporate strategy, business progress, and ESG practices. Meanwhile, we proactively strengthen voluntary information disclosure by providing supplementary information that supports investment decisions, further improving information transparency. Through these initiatives, the Group aims to help investors gain a more comprehensive and thorough understanding of the corporate development strategy and operational performance, solidify long-term, mutually trusting investor relations, and lay a solid foundation for the sustainable governance of the Group.

(II) ESG Management

1. ESG Management Structure

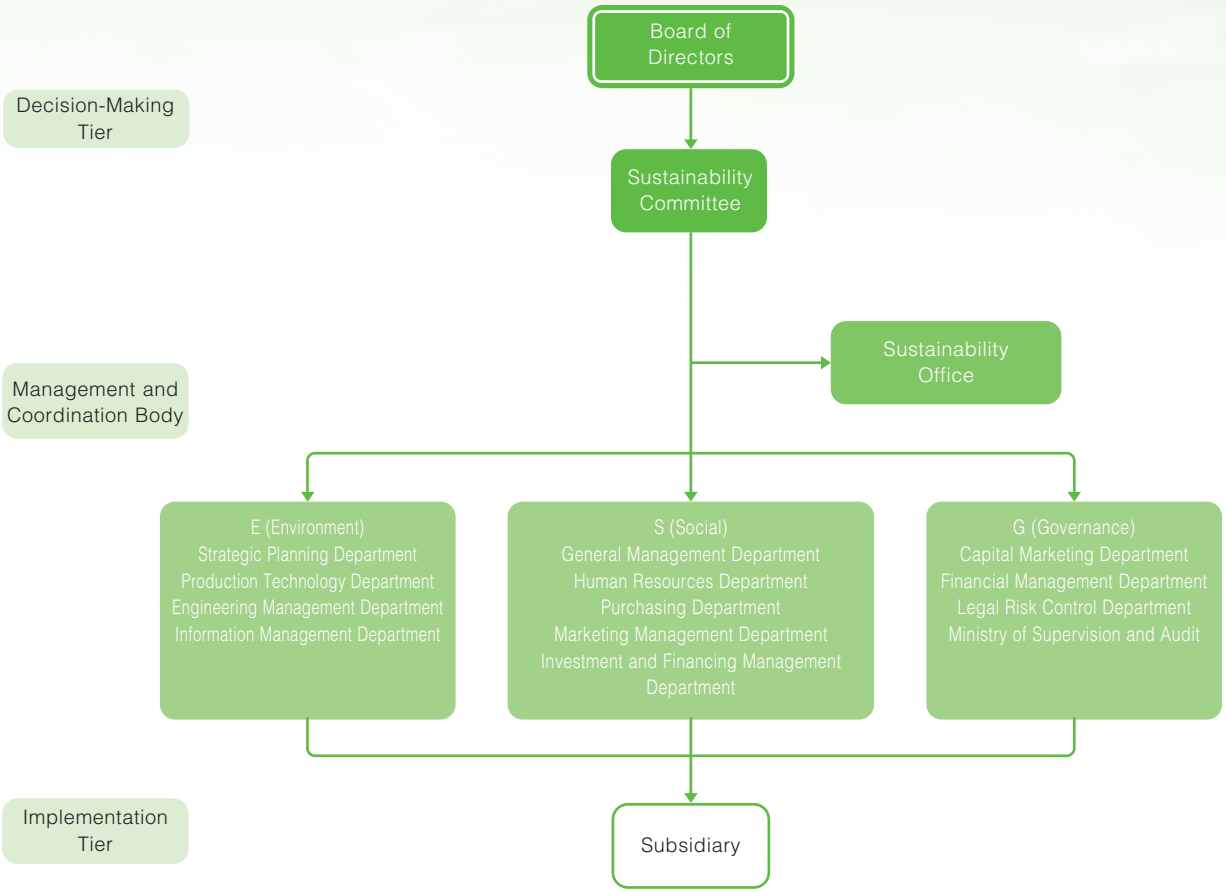


Figure 3-4 ESG Management Structure

To promote the steady and sustainable development of the Group and the coordinated management of ESG matters, we have established a three-tier sustainability management system: the Board of Directors and the Sustainability Committee serve as the decision-making level, the Sustainability Office acts as the management and coordination body, and the functional departments and subsidiaries constitute the implementation level.

III. Sustainable Development Management

Decision-Making Tier	Board of Directors	• Formulate the Group's ESG strategy, set ESG performance targets, monitor the implementation of the ESG strategy, identify ESG opportunities and risks, and provide guidance on ESG risk management. • Responsible for the overall environmental, social and governance strategy and reporting, regularly reviewing ESG performance and information disclosure, deliberating on multiple ESG-related proposals including safety, environment, the employees, and investment, and providing unified guidance, decision-making, and driving the implementation of ESG objectives.
	Sustainability Committee	• Formulate and continuously review the Group's vision, goals, strategies, frameworks, and key policies in the areas of sustainability and ESG, assess the progress and effectiveness of their implementation, and provide recommendations to the Board of Directors. • Identify trends, risks, and opportunities related to sustainability and ESG, monitor internal and external metrics and rating performance, and ensure alignment of business operations with long-term strategy. • Review the corporate governance report and ESG report to ensure compliance with relevant laws, regulations, and international standards, and oversee overall compliance & risk management. • Regularly report work progress to the Board of Directors and perform other related duties assigned by the Board of Directors.
Management and Coordination Body	Sustainability Office	• Responsible for managing and advancing the Group's sustainability strategy, as well as promptly supervising and controlling the implementation of the strategy to ensure steady achievement of all sustainability strategy objectives. • Report progress to the Sustainability Committee, provide implementation reports and improvement recommendations to support the committee's decision-making process.
Implementation Tier	Functional Departments	• Assign corresponding functional departments to E, S, and G activities, with each department responsible for the execution and coordination of day-to-day ESG work, and report regularly to the Sustainability Committee.
	Subsidiaries	• Develop detailed work objectives and implementation plans to ensure the timely achievement of the Group's overarching sustainability goals. • Promote the implementation of the plan to ensure the effective execution of ESG measures in daily operations. • Actively engage in stakeholder engagement with external stakeholders, collect feedback, and report to respective functional departments.

2. Stakeholder Engagement

The Group places great importance on interaction and communication with various stakeholders and is committed to building a systematic and regular two-way communication mechanism. We consistently regard the support from shareholders, government and regulatory bodies, customers, partners, the employees, and communities as the cornerstone of the Group's sustainable development. Through diversified communication channels, we promptly respond to stakeholders' concerns and effectively safeguard their rights to information and participation. In alignment with the sustainability strategy, the Group has systematically reviewed and established a stakeholder engagement management system to comprehensively identify the demands and expectations of all parties, and accurately grasp the key risks and opportunities in the process of sustainable development. This mechanism not only strengthens mutual trust between the Group and its stakeholders, but also provides critical support for scientific decision-making and strategic advancement, enabling Risun Group to steadily progress on its path of sustainable development.

Stakeholders	Communication Channels	Topics
Investor/Shareholder	• Communities Periodic report • Publicly disclosed on the official website and other public channels • Shareholders' meeting • Investor relations activities	• Business and financial performance • Corporate governance • Product quality management • Scientific and technological innovation and informatization development
Government and Regulatory Authorities	• Policy directive • Work report • Government-Business collaboration • Government review	• Carbon emission management • Energy efficiency management • Compliance and risk management
Customer	• Daily service communication • Customer visit mechanism • Customer complaint channels	• Quality product management • Customer service and rights protection • Chemical inventory and management • Disposal of non-conforming products • Toxic emissions management
Supply Chain	• Open tender procurement • Supplier conference • Daily communication	• Fair procurement • Supply chain sustainability • Green procurement
Partners	• Major project cooperation • Daily business communication • Attend association meetings • Online service platform	• Developing clean energy (hydrogen energy) • Water resources management • Waste management • Occupational health and safety protection measures • Employees recruitment and labor rights • Chemical risk identification and assessment

III. Sustainable Development Management

Stakeholders	Communication Channels	Topics
Experts	• Industry forum • Project review meeting • Invited expert training	• Response to climate change • Carbon emission management • Water resources management • Energy efficiency management • Quality product management • Chemical alternatives development • Chemical safety management policy and certification
Employees	• Daily communication • Employees' representative meeting • Employees training • Trade union and cultural activities	• Business ethics and anti-corruption training • Anti-bribery and anti-corruption • Whistleblower protection • Occupational health and safety management • Occupational health and safety education • Occupational health and safety protection measures • Intellectual property protection • Employees development and training
Communities	• Public welfare and charitable activities • Community outreach • Volunteer service	• Employees care and well-being and assistance • Rural revitalization • Charitable donation • Employees volunteer service • Biodiversity conservation

3. Identification of Key Issues

In accordance with policy standards such as the *Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange, the Group has conducted assessments and selection of environmental, social and governance issues based on stakeholder engagement outcomes and its own developmental priorities, forming a materiality matrix that serves as the core material issues and disclosure foundation for the Group's ESG.

Material Issues Identification Process

Issue Identification and Selection

Benchmarked against international requirements such as the United Nations 2030 Sustainable Development Goals (SDGs), tracking global and domestic industry development priorities, and following the Hong Kong Stock Exchange's ESG code, 32 topics for stakeholder engagement surveys were identified and analyzed by experts in accordance with the Group's strategic development plan.

Questionnaire Survey

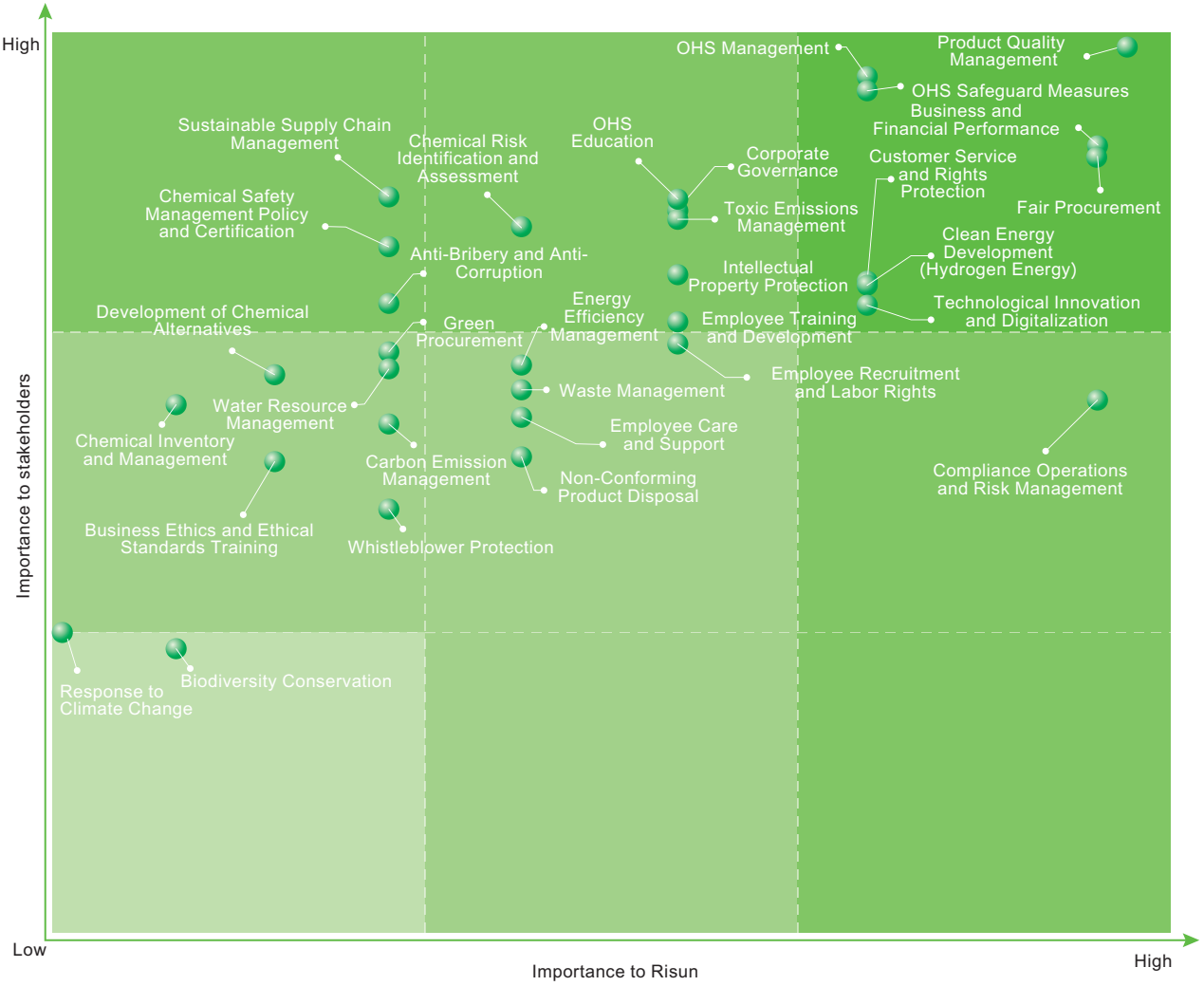
Conducted a survey on stakeholders and collected 246 valid questionnaires.

Questionnaire Analysis and Comprehensive Evaluation

Prioritize material issues for each stakeholder group based on questionnaire feedback and develop the materiality matrix by integrating expert and relevant personnel opinions.

III. Sustainable Development Management

Materiality Matrix



III. Sustainable Development Management

(III) Risk Management

The Group has always regarded sound risk management and internal control as the fundamental safeguard for achieving sustainable development. To this end, we established a comprehensive risk management system covering both internal and external risks, and continuously enhanced our capabilities in risk identification, assessment, and response through a series of practical and effective management measures, ensuring that all types of risks remain under control and building a solid defense for the Group's long-term and stable development.

1. Risk Management System

The Group has established a comprehensive and integrated risk management organizational structure. Each operating department identifies and analyzes risks related to its functions, maintains a comprehensive risk register, develops risk mitigation plans, measures the effectiveness of these plans, and reports on risk management activities.

Group Risk Management Organizational System

System	Personnel/Department	Core Functions
Four-Tier Risk Control System	Senior Vice President in Charge	Submit risk reports based on senior management's understanding of regional operations under their purview.
	Legal and Risk Control Department	Monitor client operational status and other critical factors to advance risk management integration into business processes.
	Dedicated/Part-Time Risk Control Officers in Risun Group's Divisions & Business Units	Formulate departmental risk control plans and oversee implementation.
	Frontline Business Personnel	Submit monthly risk analysis reports aligned with operational conditions.
Two-tier Legal Governance System	Group Legal and Risk Control Department	Formulate the Group's overall legal strategy and policies, identify and manage legal risks at the group level, and participate in the legal assessment of major decisions to ensure the group's stable operation within the legal framework.
	Base-Level Legal and Risk Control Departments	Handle daily legal affairs at base-level operations, identify and manage company-level legal risks, report critical risks to the Group Legal and Risk Control Department, and enforce Group legal policies and regulatory compliance.

2. Risk Management Measures

The Group places great emphasis on risk management practices, comprehensively strengthening its risk management system through measures such as developing a risk control handbook, enhancing the information system for contract management, conducting legal and compliance training, and promoting enterprise governance in accordance with the law. These efforts ensure the legality and compliance of operations, providing a solid foundation for the Group's stable development.

Development of Risk Control Manual	• The Group has compiled the *Business Risk Control Points* manual, taking into account departmental circumstances and actual business needs, ensuring comprehensive coverage of key risk areas. • During the reporting period, the Legal and Risk Control Department revised and updated the *Risk Control Manual – Domestic Trade Chapter* based on revisions to relevant laws and regulations and business practices, further strengthening risk management and control for domestic trade-related operations. In line with the Group's nationwide layout and global expansion strategy, and drawing on business practices at the Indonesia Base, the Group's Legal Department drafted the *Risk Control Manual – Foreign Trade Chapter*.

Enhancement of Contract Management Digital System	Continuously promote the implementation of the contract informatization platform: • Comprehensively cover customer qualification review, contract signing, contract auditing, contract performance management, accounts receivable control and collection, litigation management, and contract analysis to enhance the level of risk control informatization. • Strengthen contract performance management and control and collection of accounts receivable, and establish a dedicated risk control ledger.
Compliance Training for Employees	• Continue to strengthen training for the employees on internal control and risk management to enhance the overall risk management awareness and capabilities. • Strictly enforce the enterprise's internal control management system to ensure that the internal control and risk management systems function effectively, thereby reducing business operational risks.
System-Driven Legal Governance of Enterprises	• In accordance with applicable laws and regulations both domestically and internationally, and based on practical business operations, hundreds of management systems have been established to support and guide all Group companies in fostering a culture of legal compliance and sustaining compliant operations. • During the reporting period, the Legal and Risk Control Department revised major Group management systems including the *Risk Control Manual – Domestic Trade Chapter*, the *Contract Management Measures*, the *Trademark Management Measures*, the *Litigation and Arbitration Case Management Measures*, the *External Legal Counsel Management Measures*, the *List System for Dishonest Customers*, and the *Interim Measures for Financial Business Risk Control Management*, based on updates to relevant laws and regulations and practical business experience, continuously promoting the rule of law in enterprise governance.

(IV) Business Ethics and Anti-Corruption

The Group consistently upholds the core value of compliant operations and adopts a "zero tolerance" principle toward commercial bribery. We continuously strengthen anti-commercial bribery controls across the entire business process, ensuring that all business activities strictly comply with laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Interim Provisions on Binning Commercial Bribery*, and the *Prevention of Bribery Ordinance*, resolutely preventing illegal and disciplinary acts such as bribery, extortion, fraud, and money laundering, and actively maintaining a fair and orderly market competition environment. To strengthen the anti-corruption governance system, the Group systematically enhances its compliance management capabilities through improving internal systems, fostering a culture of integrity, and conducting business ethics audits. During the reporting period, the Group identified no incidents nor received any notifications related to illegal or disciplinary acts such as commercial bribery, extortion, fraud, or money laundering.

Internal Policy Development	• Formulated and revised a series of institutional documents, including the *Group Code of Integrity and Self-discipline*, the *Risun Group Employee Basic Conduct Red Lines*, the *Group Gift Management Regulations*, the *Risun Group Whistleblowing and Rationalization Proposal System for All Employees*, the *Regulations on the Issuance of Notifications for Major Incidents and Cases in the Group*, the *Integrity Commitment Letter for Middle and Senior Management of the Group*, the *Management System for Cadre Talks*, and the *Self-inspection and Self-correction Management Measures*, clearly defining compliance requirements for the employees and comprehensively establishing a compliance management system.

III. Sustainable Development Management

Anti-Corruption Culture Development

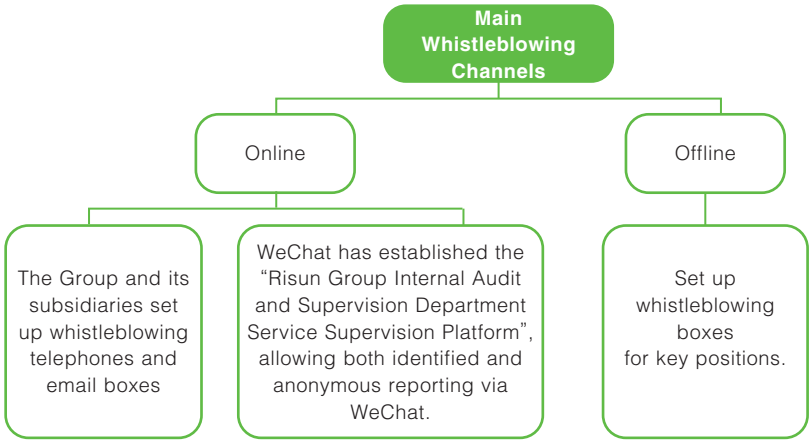
- Build and improve the anti-corruption reporting platform and supervision credit system, expand oversight channels, and refine internal risk detection mechanisms.
- Conduct regular anti-corruption and integrity-building awareness education activities for middle-to-senior level managers and employees in key positions to strengthen their awareness of integrity and sense of responsibility.
- Organize all cadres and employees to carry out a "self-examination and self-correction" initiative before major holidays, establishing a regular supervision mechanism for integrity and self-discipline.
- Establish a special filing system to promote the institutionalization and standardization of anti-corruption efforts, and continuously strengthen the construction of corporate integrity culture.

Internal Audit on Business Ethics

- Focus on key areas such as sales and procurement, financial management processes, and other critical aspects of business ethics, identifying potential compliance risks through detailed audit procedures and ensuring adherence to regulations.
- During the reporting period, four comprehensive internal audits covering all subsidiaries of the Group were conducted, and 91 audit issues were resolved.

Supervision and Reporting Mechanism

- The Group has established a systematic supervision and reporting mechanism, integrating both online and offline channels to ensure that reporting avenues are convenient, secure, and unimpeded. Upon receiving any report, the Group will immediately initiate a verification process and, depending on the circumstances, conduct in-depth investigations or special audits. If violations are confirmed, the Group will strictly enforce its internal audit and supervision procedures, taking appropriate actions to ensure accountability and effective rectification.



Whistleblower Protection Mechanism	• In accordance with the *Whistleblower and Rationalization Proposal System for All Employees*, strictly enforce the "zero retaliation" policy toward whistleblowers and prohibits any form of retaliation. Any verified act of retaliation will result in dismissal. • Whistleblowers may report issues anonymously to ensure personal information security and alleviate concerns about reporting.
End-to-End Risk Assessment	• Pre-Warnings: Assess whether training and awareness activities on corruption prevention have been conducted to continuously enhance the integrity awareness of cadres and the employees. • Ongoing Supervision: Assess whether an effective monitoring mechanism has been established to ensure timely detection and handling of corrupt practices. • Post-event Accountability: Assess whether corrupt acts that have already occurred have been seriously punished, ensure responsibilities are assigned to individuals and actions are properly taken, and strengthen accountability measures.
Supplier Anti-Corruption Management	• By implementing the *Customer Service and Supervision Management Measures* and the *Group Business Gift Management Regulations*, supplier conduct is constrained and the employees' integrity discipline is standardized, with explicit prohibition of improper behaviors such as commercial bribery. • Implement comprehensive oversight across all stages including supplier qualification, bidding, contracting, and performance fulfillment, and continuously monitor supply chain compliance through dedicated reporting channels, on-site due diligence visits, and regular communication mechanisms. • Implement graded actions for verified violations, including economic penalties and termination of cooperation, and establish a mechanism for complaint improvement and case promotion to promote continuous strengthening of integrity management in supply chain.

Case

Self-inspection and Self-correction Special Initiative

To implement the relevant provisions of the *Self-Inspection and Self-Correction Management Measures* and strengthen integrity risk prevention and compliance culture, the Group has carried out a company-wide special initiative on self-inspection and self-correction regarding integrity issues. This initiative aims to provide cadres and employees with an opportunity to proactively identify and rectify problems, reflecting the management philosophy of emphasizing both organizational education rescue as well as institutional constraints, and is committed to fostering a clean, upright, compliant, and trustworthy internal environment.

During the work period, all cadres and employees conducted a comprehensive review as required by referring to the self-inspection checklist, focusing on potential issues related to interactions with clients, conflicts of interest, and the integrity of official conduct. The Group has established two types of reporting channels – named and anonymous – and implemented strict confidentiality measures for managing reported information. Personnel who proactively disclosed issues during the self-inspection period and actively rectified them were granted liability exemption in accordance with relevant policies; those who failed to report voluntarily or were later found to have similar issues will be subject to strict disciplinary actions as per regulations.

III. Sustainable Development Management

Case

Anti-Corruption Training

To continuously strengthen the culture of integrity and compliance and risk management, the Group has established a multi-level, regularized mechanism for integrity education that covers all employees and is integrated into daily operations. Special integrity awareness training is conducted for new hires to systematically foster their sense of self-discipline and awareness of compliance bottom-line mindset. Quarterly company-wide warning education meetings are held to communicate typical cases and reinforce integrity policies. Risk alerts are irregularly disseminated through daily morning meetings and other formats, reaching personnel across all departments and levels. In addition, targeted warning sessions are convened for specific business areas or potential risk points to enhance the risk identification and prevention capabilities of relevant employees. Through these series of continuous and systematic educational initiatives, the Group has effectively strengthened the compliance awareness and integrity self-discipline of the employees, providing a solid ethical and institutional foundation for the corporate's sustainable development.

Figure 3-5 Anti-Corruption Training

Table 3-3 2025 Anti-Corruption Training Performance

Indicator Name	Unit	Subdivision	2025 Annual Data
Total number of anti-corruption training	(Times)		240
Total hours of anti-corruption training	(Hour)		50
Coverage rate of anti-corruption training	(%)		95
Number of anti-corruption training conducted by position	(Times) (Times) (Times)	Directors Management Employees	35 88 117
Number of people participating in anti-corruption training by position	(Person-times) (Person-times) (Person-times)	Directors Management Employees	703 3,113 13,790

04

Focus on **Safety and Health**

IV. Focus on Safety and Health

Upholding the core principle that "safety is the foundation of the Group's survival", the Group has consistently adopted "Safety First, Compliance, Prevention, and Sustainable Development" as its fundamental guideline for corporate operations, and is committed to "building an intrinsically safe enterprise". We ensure the scientific and effective management of safety by establishing a systematic EHS (environment, health and safety) management system and a comprehensive safety management system for chemicals. Furthermore, by managing occupational safety and providing diversified education to the employees, we enhance overall safety awareness and emergency response capabilities, striving to create a work environment with zero accidents and zero injuries.

(I) Safety Production

Risun strictly complies with national laws, regulations, and industry policies such as the *Safety Production Law of the People's Republic of China* and the *Regulations on Safety Production Licenses of the People's Republic of China*. Adhering to the principle of "safety first, prevention-oriented, comprehensive management, and all staff participation", the Group has integrated safety production into its strategic planning and the entire production and operation process. The Group has established a safety production responsibility system covering all levels and positions, achieving comprehensive "horizontal to the edge, vertical to the bottom" coverage, and is committed to realizing the vision of "A Safe Risun, A Happy Home".

During the reporting period, the Group invested 165 million yuan in workplace safety, providing strong support for ensuring safe production.

Safety Production Objectives	Achievement of the 2025 target
Six accidents occurred at zero	Zero serious injuries or above (including contractor accidents) Zero major production (operational) accidents Zero major equipment incidents Zero major fire and explosion accidents Zero major traffic accidents in the plant Zero incidence of occupational diseases
100% safety hazard identification and rectification rate	
100% emergency drill plans implementation rate	
100% safety interlock utilization rate	
100% education rate for personnel involved in "three violations"	
100% certification rate for personnel in the "three key positions"	
100% operational integrity and on-schedule inspection rate for fire safety and emergency facilities	
100% signing rate of safety agreement	

IV. Focus on Safety and Health

1. Development of EHS Management System

Risun has always placed safety production in the primary position, continuously strengthening the foundation of safety management by establishing and improving rules, regulations, and standardized systems. The Group has established and is continuously implementing a comprehensive institutional system, including the *Operation Discipline Management System*, the *Safety Production "Anti-Three Violations" Management Measures*, the *Reporting and Handling Authorization Mechanism for Abnormal Production Conditions*, the *Safety Confirmation Management System for Loading and Unloading of Hazardous Chemicals*, the *Three Simultaneities Management System for Safety Facilities of Construction Projects*, as well as specialized work management systems such as the *Hot Work Safety Management System*, the *High-Altitude Work Safety Management System*, the *Confined Space Work Safety Management System*, the *Blind Flange Plugging and Pulling Work Safety Management System*, and the *Excavation Work Safety Management System*, achieving systematic and refined control over safety risks across all stages. Meanwhile, the Group is actively promoting its subsidiaries to carry out ISO 45001 occupational health and safety management system certification, advancing safety production standardization in strict accordance with the *General Specification for Safety Production Standardization of Hazardous Chemicals Enterprises (GB 45673-2025)*, and continuously improving the systematization and standardization level of the occupational health and safety management system.

Based on this, the Group has established a clear and comprehensive safety management organizational structure, creating a vertically integrated and horizontally connected safety management network that ensures coordination across all levels and departments. This network guarantees that safety responsibilities are fulfilled at every position and every stage, achieving full-coverage, end-to-end control in safety management.

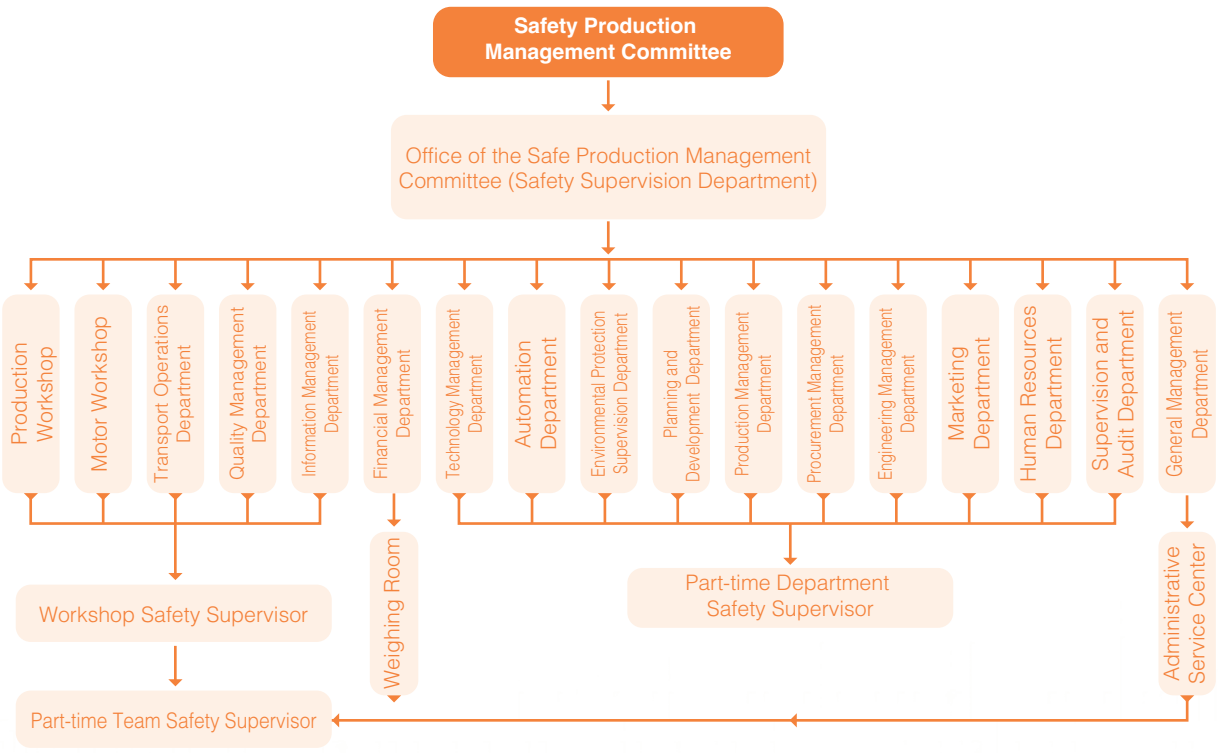


Figure 4-1 Security Management System Structure

IV. Focus on Safety and Health

Subsidiaries	• Safety Production Management Committee: Chaired by the General Manager, responsible for overseeing major safety-related decisions. • Safety Director: Leads the implementation of resolutions from the Work Safety Management Committee and ensures compliance with corporate safety protocols. • Safety Supervision Department: Serves as the executive office of the Work Safety Management Committee, conducting safety supervision and management across production, construction, and operational activities.
Workshops	Appoints dedicated safety officers
Teams/Departments	Appoints non-dedicated safety officers (part-time)

2. EHS Management Measures

Strengthening Safety Accountability System	• Establish a safety production responsibility assessment mechanism covering all the employees, develop quantifiable assessment indicators, and reward and punishment criteria, and strengthen the safety production responsibility awareness among all the employees. • Establish and improve the Group's "Three Simultaneities" system for project construction (i.e., safety measures are designed, constructed, and put into operation and use simultaneously with the construction project), ensuring safety implementation from the initial stage of project development.
Safety Issue Supervision Process	Identify and address safety hazards in accordance with the principles of "accountability by leadership" and "all personnel, entire process, comprehensive scope, and round-the-clock monitoring": • Phase 1: Review the risk control information ledger, develop a hidden danger inspection checklist, establish a hidden danger inspection plan, prepare safety inspection checklists, organize and implement inspections, issue inspection bulletins, develop hidden danger rectification plans, implement rectification according to the plan, conduct closed-loop re-inspection of hazards, and complete the hidden danger management information ledger. • Phase 2: Prepare hidden danger inspection checklists for major and moderate risks; prepare hidden danger inspection checklists for general and low risks by the workshops or departments in charge; regularly supervise and inspect the implementation of hazard identification and management.
Risk Classification and Control with Hazard Investigation and Management	• Divide the risk analysis units according to the principle of "functional independence and appropriate size", systematically carry out hazard identification and risk assessment, use a risk matrix to classify risks into levels (red, orange, yellow, blue), and develop and implement targeted control measures for risks at different levels. • Establish a multi-level hazard identification model comprising "daily position checks, weekly workshop inspections, specialized departmental checks, and comprehensive company-wide inspections". Utilize the information platform to achieve closed-loop management of potential hazards from discovery, reporting, rectification to acceptance, dynamically eliminate major accident hazards, and ensure that risks are under control.
Safety Production Standardization	• In accordance with national requirements, comprehensively enhance standardization levels in areas such as on-site management, equipment and facilities, operational practices, and education and training. • According to the requirements of safety production standardization, implement the strict safety management reward and punishment management measures.

IV. Focus on Safety and Health

Emergency Management and Response Capacity Building	• Establish a comprehensive emergency management system, develop integrated emergency response plans, specialized emergency response plans, and on-site disposal procedures, and complete the filing in accordance with the law. • By establishing an annual emergency drill plan, regularly organizing company-level and workshop-level comprehensive and specialized drills, and focusing on promoting on-the-job emergency practical training, we aim to comprehensively enhance the coordination and initial emergency response capabilities of personnel at all levels. • Standardize the allocation and management of emergency supplies to ensure they are always in a state of operational readiness, providing solid support for responding to emergencies.

Contractor Safety Management	• Qualification Review: Strictly review contractor qualifications; contractors with non-compliant qualification documents are prohibited from entering the facility.
	• Safety Training: Qualified contractors shall attend plant safety training conducted by the Safety Department. After passing the training, they will receive relevant education or training from the responsible department before proceeding to perform on-site work.
	• Work Management: Specific work shall be carried out under the supervision of workshop (department) personnel. Technical personnel shall provide safety instructions prior to the work. Supervisors shall monitor the entire process, and workers must not leave the designated work area. Upon completion of the work, the workshop supervisor shall conduct an inspection and confirm compliance before the work is officially concluded.
	• Violation Handling: Implement the management requirements of “One Penalty, Two Suspensions, Three Terminations”:
	  ■ One Penalty: Control procedure for penalties resulting from violations of the company’s relevant management systems.
	  ■ Two Suspensions: A control procedure for work stoppage and rectification, applied when serious violations previously penalized reoccur within the specified time, in accordance with management regulations.
	  ■ Three Terminations: A control procedure to withdraw the contractor’s construction team or contractor according to management regulations when serious violations occur again within the specified period after being suspended for rectification.

Digital and Information-based Intelligent Management and Control	• Actively promote the construction of the safety and environmental protection information platform, integrating core functions such as monitoring and early warning of major hazard sources, online approval for special operations, personnel on-site positioning, hidden danger investigation and management, dual prevention mechanism, emergency management, and intelligent video analysis (e.g., flame detection). • Through data interconnection and intelligent early warning, achieve dynamic awareness, real-time monitoring, and intelligent scheduling of production safety status, enhancing risk prediction and fine-grained control capabilities.

IV. Focus on Safety and Health

Case

Building a Safety and Environmental Protection Information Platform to Dynamically Monitor Safety Production Status

The Group is committed to building a unified safety and environmental protection information platform, establishing an integrated digital management system that covers laws and regulations, major hazard source monitoring, dual prevention mechanisms, operation process control, emergency resource management, occupational health surveillance, personnel dynamic positioning, and intelligent alarm linkage. The platform enables real-time synchronization and sharing of the laws and regulations database, conducts round-the-clock monitoring of key parameters and video feeds from major hazard sources, and features intelligent early warning and real-time push functions to ensure full-process control of operational status. In terms of operation management, the platform supports whole-process online approval and data statistical analysis for special operations, and enables real-time visual display of operational dynamics and control status across different areas via GIS mapping. The personnel positioning system accurately tracks the location of the employees, enabling silent inspection reminders and rapid alarm linkage during emergencies. In addition, the platform integrates intelligent video analytics to support automatic detection and alerting of abnormal conditions such as flame recognition, facilitating early identification and response to on-site risks. Through platform empowerment, the company's safety management is progressively achieving systematization, visualization, and intelligence, significantly enhancing risk early warning capabilities and the overall control level of safety production processes.

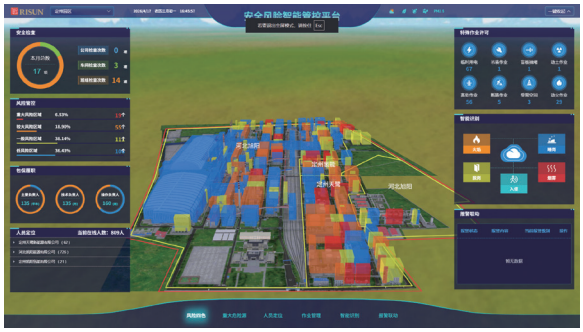


Figure 4-2 Interface of the Group's Dingzhou Base Safety and Environmental Protection Information Platform

The Group attaches great importance to the systematic development of occupational health and safety, environmental, and quality management. All subsidiaries have established, implemented, and continuously improved the occupational health and safety management system and the environmental management system, and have obtained authoritative certifications. Meanwhile, we have integrated the occupational health and safety, environmental, and quality management systems into a "triple-integrated" operating model, significantly enhancing management efficiency and synergistic effects.

Table 4-1 Safety Production Performance for 2025

Indicators	Unit	2025
Number of safety education training	Times	10,107
Number of people receiving safety education training	Person-times	216,791
Number of safety emergency drills	Times	1,597
Number of participants in safety emergency drills	Person-times	21,130
Safety certification status of management personnel	%	100
Safety certification status of technical personnel	%	100
Employee physical examination rate	%	100
Process safety incident count	Times	0

Table 4-2 Management System Certifications

Subsidiary	Occupational health and safety management system GB/T45001-2020 ISO45001:2018	Environmental management system GB/T24001-2016 ISO14001:2015
Xingtai Risun Chemical	Certified	Certified
CNC Risun	Certified	Certified
Xingtai Risun Coal Chemical	Certified	Certified
Jinniu Risun	Certified	Certified
Tangshan Risun Chemical	Certified	Certified
Yuncheng Risun	Certified	Certified
Hebei Risun	Certified	Certified
Dingzhou Tianlu	Certified	Certified
Cangzhou Risun	Certified	Certified
Risun China Gas	Certified	Certified
Dongming Risun	Certified	Certified

(II) Chemical Safety

As a chemical company, we deeply understand that chemical safety is vital to the health of the employees, community well-being, and the ecological environment. The Group has always placed the management of chemical safety at the forefront of operations, establishing a full lifecycle management system. We strictly enforce hazardous chemicals registration and risk-based control measures, continuously enhancing the effectiveness of chemical safety management through dynamic list-based management, systematic risk identification, and digital monitoring, thereby effectively reducing potential risks across all stages. Meanwhile, we actively promote the alternative research and development of restricted chemicals and the special treatment of major accident hazards, establishing a long-term mechanism for chemical safety management featuring clear responsibilities, closed-loop processes, and continuous improvement, and striving to fulfill the corporate's commitment to safe development.

1. Safety Management System for Hazardous Chemicals

The Group strictly complies with laws, regulations, and national standards such as the *Regulations on Hazardous Chemicals Safety*, the *Work Safety Law*, and the *Specifications for Classification and Labelling of Chemicals*. It has revised and issued several core systems, including the *Safety Management System for Hazardous Chemicals*, the *Management System for Hazardous Materials Transportation*, and the *Management System for Precursor Chemicals*, covering the entire process of chemical procurement, storage, use, transportation, and waste disposal. The systems establish a responsibility mechanism stating that "managing business entails managing safety", set up a dedicated safety management department to clarify responsibilities and performance evaluations at each stage, and incorporate control procedures such as procurement license verification and transportation compliance review. By actively cooperating with regulatory inspections and continuously improving management practices based on enforcement feedback, the Group has established a comprehensive chemical safety management system for hazardous chemicals featuring clear responsibilities, closed-loop controls, and internal-external collaboration.

IV. Focus on Safety and Health

Transportation and Transfer	• Comply with national transportation regulations and standardize the procedures for transporting hazardous chemicals. • Conduct a comprehensive inspection of the vehicle and cargo prior to shipment; if any violations are found, the shipment will not be allowed. • It is prohibited to use vehicles or equipment that do not comply with safety regulations for the transportation of hazardous chemicals, and it is strictly forbidden to mix other goods or carry unrelated personnel during transportation.
Loading and Unloading Operations	• Prior to loading or unloading, personnel must understand the characteristics of the cargo and emergency response measures, properly wear protective equipment, and become familiar with the site environment and evacuation routes. After the vehicle is parked, the static electricity grounding device shall be promptly connected, wheel chocks and anti-pull-off warning signs shall be placed, and the keys shall be stored in a designated location. • During loading and unloading, supervisory personnel must remain on duty throughout the process. Operators must handle materials gently, wear protective equipment at all times, and are strictly prohibited from eating, drinking, or engaging in unrelated activities. Explosion-proof tools must be used, and fire-fighting equipment and first-aid supplies on site must be maintained in good and serviceable conditions. • After loading or unloading, following the specified settling time, the attendant shall inspect and confirm that the site is safe, then sequentially disconnect the loading/unloading gooseneck and the static grounding device, retract the anti-derailment chocks and safety warning signs, and only after ensuring all safety measures have been released may the vehicle leave the loading/unloading area.
Storage	• Store in warehouse or tank in a timely manner as required; open-air storage is strictly prohibited. • The storage tank shall be equipped with an automated control system, emergency shut-off device, and safety instrumented system, and shall be inspected and maintained regularly. • Hazardous materials of different properties must be stored in isolation. Storage tank areas must have clear signs and warning labels, be equipped with sufficient firefighting equipment, and be regularly inspected by designated personnel to ensure proper safety control.
Disposal	• Packaging drums, sampling bottles, and other items must be uniformly recycled; unauthorized disposal is strictly prohibited. • Waste classified as hazardous waste must be transferred and disposed of in accordance with applicable laws and regulations; unauthorized dumping or burial is prohibited. • Hazardous waste storage facilities must strictly implement safety measures such as seepage prevention, fire prevention, and explosion protection. • Production wastewater shall be directed to wastewater treatment facilities, and accidental wastewater must be channeled to accident wastewater storage tanks; mixed discharge or flowing into other pipelines is strictly prohibited.

2. Chemical Management Measures

The Group strictly implements the registration of hazardous chemicals and full-process risk management, achieving 100% coverage of risk identification for regulated chemicals.

Hazardous Chemicals Registration

According to the requirements of the *Catalogue of Hazardous Chemicals*, the Group identifies and registers all hazardous chemicals produced and used, completes the declaration in the local hazardous chemicals registration system on time, and obtains the hazardous chemicals registration certificate in accordance with the law.

Elimination of Restricted Chemicals

For hazardous substances falling under Category 1 and Category 2 for health and environmental hazards according to the *Globally Harmonized System of Classification and Labelling of Chemicals*, as well as chemicals with high risks in raw materials and manufacturing processes and significant environmental impact, in-depth research and optimization proposals are carried out through scientific collaboration with universities and research institutes. For example, the joint development with Tsinghua University of a heavy solvent rearrangement technology aims to progressively advance the restricted chemicals phase-out program and continuously improve chemical safety management levels.

Chemical Risk Management Process

Preparation and Identification	Divide production units, storage facilities, and other installations into risk analysis units according to the principles of "functional independence, appropriate size, and ease of management", with major hazard sources listed separately as analysis objects. Establish the *Comprehensive List of Hazardous Chemicals*, covering raw materials, intermediates, final products, by-products, and waste.
Evaluation and Analysis	Identify risks using various risk analysis methods, and apply a risk matrix to classify risks based on two dimensions, "consequence severity" and "likelihood of occurrence". The results are categorized into four levels – red, orange, yellow, and blue – according to national standards.
Control and Implementation	Develop and implement corresponding control plans and emergency measures for risk types such as flammability, explosiveness, toxicity, and corrosion, as well as key hazards including tank leakage, static electricity during loading/unloading, transportation leakage, and waste disposal. Equip major hazard installations with real-time monitoring or safety instrumented systems (SIS) to achieve closed-loop risk management.
Updates and Improvements	Implement the "department self-inspection + special verification + dynamic updating" mechanism, with each shift conducting patrols in production workshops and the safety supervision department organizing annual comprehensive assessments; carry out special hazard identifications in response to newly introduced chemicals, process changes, high-risk operations, and post-incident situations, and promptly update risk control records and emergency response plans.

Case

Major Accident Hazards Elimination Campaign for Chemical and Hazardous Chemicals Enterprises

To implement the requirements of the county emergency management bureau's "Notice on Carrying Out the Major Accident Hazards Zeroing Action for Chemical and Hazardous Chemicals Enterprises", the Group's Dongming Base organized a special training on the "Criteria for Determining Major Safety Production Accident Hazards in Chemical and Hazardous Chemicals Production and Operation Enterprises", covering managers at all levels and frontline the employees. In strict accordance with the criteria, the company systematically conducted self-inspections for major hazards, identifying a total of 21 major hazards. A corresponding hazard rectification ledger was established simultaneously, with responsible personnel, corrective actions, and completion timelines clearly defined for each item. Currently, the rectification of all identified hazards is progressing steadily according to plan.

Figure 4-3 Group's Major Accident Hazard Elimination Action for Chemical and Hazardous Chemicals Enterprises at the Dongming Base

IV. Focus on Safety and Health

(III) Occupational Health

The Group fully complies with national laws and regulations such as the *Law on the Prevention and Control of Occupational Diseases*, and has established a comprehensive occupational health and safety management system centered on the safety supervision department, covering hazard identification, risk monitoring, training and education, emergency response, and health surveillance. Through systematic measures including regular detection and public disclosure of occupational hazards, organization of occupational health examinations for all employees, implementation of personal protective equipment and emergency facility provisioning, and ongoing occupational health training and heatstroke prevention and cooling guarantee measures, the Group continuously strengthens its capacity for occupational health risk prevention and control, effectively safeguarding the physical and mental well-being of the employees and promoting continuous improvement in occupational health management.

During the reporting period, there were no cases of occupational diseases among employees. The coverage rate for occupational disease examinations reached 100%, and the employee medical examination rate was also 100%.

Figure 4-4 Heatstroke Prevention and Cooling Benefits

IV. Focus on Safety and Health

1. Occupational Health and Safety Management System

To comprehensively establish a systematic occupational health and safety management system, the Group strictly complies with national laws, regulations, and industry standards such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on the Administration of Occupational Health in the Workplace*, the *Technical Service Specification for Occupational Health*, and the *Measures for the Notification of Occupational Disease Hazard Projects*. Based on these requirements and considering the production characteristics of the chemical industry, the Group has formulated and implemented multiple core internal systems, including the *Occupational Health Management System*, the *Management System for Personal Protective Equipment Against Occupational Diseases*, the *Management System for Monitoring and Evaluation of Occupational Disease Hazards*, the *Management System for Emergency Response and Management of Occupational Disease Hazards*, and the *Management System for Occupational Health Surveillance of Workers and Records*. This enables full-process closed-loop management covering hazard communication, project declaration, routine monitoring, protective measures, and emergency response, systematically ensuring the occupational health of the employees and production safety.

The Group has established a full-process management system covering occupational health hazard prevention and control, emergency management, and compliance assurance based on internal regulations. The Group has set up an occupational health management organization, designating the safety supervision department as the company's occupational health management body, clearly defining specific responsibilities and appointing occupational health personnel. This department is fully responsible for organizing the declaration of occupational hazard factors, conducting specialized training for positions involving hazardous chemicals, commissioning third-party agencies to carry out regular risk point testing, and publicly disclosing the test results to the employees. The management system covers the entire process from hazard identification, monitoring and control to emergency response. Through implementing day-to-day monitoring of occupational hazard factors, organizing health examinations for employees in hazard-exposed positions, and equipping and managing emergency eyewash stations, the effective operation of occupational health management and risk control has been achieved. As of the end of the reporting period, all 11 production units under the Group have obtained certification for the occupational health and safety management system ISO 45001, achieving a 100% certification coverage rate.

IV. Focus on Safety and Health

Table 4-3 Certification Status of the Occupational Health and Safety Management System

Xingtai Risun Chemical Certified

CNC Risun Certified

Occupational health and safety management system GB/T45001-2020 ISO45001:2018

Xingtai Risun Coal Chemical Certified

Jinniu Risun Certified

Tangshan Risun Chemical Certified

IV. Focus on Safety and Health

Yuncheng Risun Certified

Hebei Risun Certified

Dingzhou TianluDingzhou Tianlu Certified

Cangzhou Risun Certified

Risun China Gas Certified

Dongming Risun Certified

IV. Focus on Safety and Health

2. Occupational Health and Safety Management Policies

Hazard Monitoring and Risk Control

The Group commissions qualified institutions to regularly conduct testing of occupational disease hazards, promptly publicizes the test results, and formulates and implements rectification plans for positions exceeding exposure limits. The Group strictly enforces the warning and notification system for positions with occupational hazards, sets up standardized signage in relevant areas, and clearly communicates the hazards and corresponding preventive measures. The Group establishes occupational health surveillance records for all employees, organizes pre-employment, on-the-job, and post-employment occupational health examinations for the employees, and promptly reassigns personnel with occupational contraindications to suitable positions, effectively preventing the occurrence of occupational disease.

Occupational Health Training and Promotional Activities

Risun organizes regular occupational health training for the employees before they start their jobs and during their employment, focusing on popularizing laws and regulations on the prevention and control of occupational diseases, operating procedures, and protective knowledge. By holding the annual "Law on the Prevention and Control of Occupational Diseases" awareness week in conjunction with local health authorities to conduct special campaigns, the Group enhances occupational health awareness among all employees. In 2025, the Group formulated the *Heatstroke Prevention and Cooling Implementation Plan*, promptly distributing high-temperature allowances, supplementary food subsidies, and heatstroke prevention supplies to protect the physical and mental health of the employees working in high-temperature positions.

Protection Guarantee and Emergency Management

Risun strictly implements the procurement, distribution, use, and replacement procedures for labor protective equipment to ensure that the employees are properly equipped with personal protective gear. Occupational health protection facilities are regularly maintained to ensure their effective operation. Emergency eyewash stations are provided, and a specialized emergency response plan for chemical injuries has been established. Regular emergency drills for occupational hazard incidents are conducted to continuously enhance on-site emergency response capabilities, building a safety assurance mechanism that emphasizes both prevention and response.

Health Management and Continuous Improvement

Risun organizes annual health examinations for all employees, fully covers medical and work-related injury insurance, promptly processes medical expense reimbursements, and establishes a comprehensive employee health protection system. By regularly identifying leaks, spills, overflows, and uncontrolled emissions during production, the Group continuously reduces environmental and occupational health hazards. The Group is actively advancing the construction of the occupational health and safety management system, has obtained system certification, successfully completed external audits, and established a long-term mechanism for continuous improvement in occupational health management.

Case

Occupational Health and Safety Theme Training

The Group attaches great importance to the development and training of the occupational health and safety training system. Various branches, based on actual conditions, systematically enhance all employees' awareness and protective capabilities regarding occupational health through diversified training methods and content.

The Group's Laoting Base systematically conducted specialized training through the training space module of the workplace safety emergency command platform, covering contents such as the *Measures for the Administration of Occupational Health Examinations*, the *Regulations on Occupational Health Management in Workplaces*, and the *Measures for the Supervision and Administration of the "Three Simultaneities" of Occupational Disease Prevention Facilities in Construction Projects*. The training was comprehensive and in-depth, achieving a 100% pass rate among all employees, effectively strengthening the employees' understanding of occupational health laws, regulations, and practical operations.

计划详情

计划名称: 11月份视频课件学习		计划类别: 其他教育培训	
计划时长(分钟): 45		开始时间: 2025-11-01 00:00:00	
结束时间: 2025-11-15 23:59:00		参与单位: 查看	
参与人员: 查看			

课程名称	课程分类	课程时长(分钟)
11月份视频课件学习	安全类	9
11月份视频课件学习	安全类	36

总人数: 396 已完成人数: 396 未通过人数: 0 通过率: 100%

姓名	所属单位	学习状态	累计学习时长(分钟)
何坤	设备管理部	已学习	33
刘玉双	苯加氢车间-丙班	已学习	33
陈宝军	消防科	已学习	36
赵绪达	化验-丙班	已学习	45
高英杰	公司高层	已学习	45
刘长亮	化验-乙班	已学习	45
李春林	苯加氢车间-丙班	已学习	45

Figure 4-5 Screenshot of the Learning Interface at the Group's Laoting Base

The Group's Xingtai Base organized specialized occupational health training activities involving all employees, utilizing various formats such as videos, courseware, and on-site interactions. While promoting awareness of occupational disease prevention, the initiative effectively enhanced the employees' awareness of safe operating procedures and their ability to respond to occupational health risks, with a focus on employee health and work adaptability.

Figure 4-6 The Group's Xingtai Base Organizes Specialized Training on Occupational Health Knowledge

IV. Focus on Safety and Health

The Group's Cangzhou Base has established a tiered and categorized training mechanism covering principal officers, occupational health management personnel, and frontline practitioners, strictly implementing pre-job training and regular on-the-job refresher training, thus forming a normalized occupational health education system.

Figure 4-7 Occupational Health Special Training at the Group's Cangzhou Base

The workshop at the Group's Yuncheng Base regularly organizes occupational health and safety emergency drills. By simulating emergency response procedures under realistic scenarios, the employees can become proficient in the rescue steps and operational protocols for occupational health emergencies, effectively enhancing their ability to respond quickly and manage on-site situations when occupational health incidents occur.

Figure 4-8 Occupational Health Emergency Drill at the Group's Yuncheng Base

(IV) Safety Training

The Group has always placed employee safety awareness and emergency capability building in a key position, continuously deepening the corporate safety culture through regular and systematic training and communication. We have developed a detailed annual training plan with comprehensive content and diverse formats, combining online learning platforms with offline practical drills to precisely meet the training needs of different positions and levels, ensuring that safety principles are internalized in mind and manifested in action, thus building a solid defense for the Group's safe production.

IV. Focus on Safety and Health

Themed Event	• Conduct promotional and awareness campaigns themed around "Alert March", "Safety Production Month", "100-Day Accident-Free Safety Campaign", "Ten Winter Precautions", "Occupational Disease Prevention Law Awareness Week", and "Safety Alert Month". Make detailed advance arrangements regarding campaign content and work requirements to engage everyone's sense of responsibility for safety production. • Organize distinctive events such as "Family Open Day", "Safety Promotion and Consultation Day", and "Accident Warning Day" to enhance the safety engagement and sense of identification among the employees and their families.
Awareness Training	• Offline: Regularly conduct safety training sessions, focusing on key topics such as typical accident cases warning education and occupational health knowledge; organize the employees to attend "theory + practice" specialized training at external safety practice bases, and arrange visits to local safety culture experience centers to strengthen practical safety awareness. • Online: Organize training courses through the Online Academy, focusing on President Xi Jinping's important remarks on emergency management, to help employees in all positions fully grasp the essence and key points of these important remarks on workplace safety.
Competitive Engagement	• Actively participate in skills competitions organized by local governments and industry associations, and conduct internal activities such as safety knowledge contests, fire-fighting skills competitions, and emergency equipment technical contests, with rewards provided to winners to stimulate the employees' enthusiasm for learning. • Conduct "Typical Hazard" and "Hazard Star" selection activities to encourage full participation in hazard identification and management.
Accident Drill	• Conduct comprehensive emergency drills as well as specialized drills such as hazardous chemical leakage and emergency evacuation strictly according to plan, to enhance coordinated operations and emergency response capabilities. • Conduct regular spot checks and hands-on training on the use of emergency equipment to ensure that all the employees are capable of responding to emergencies. • Promote the development of the *Abnormal Condition Handling Guidelines* for all positions, conduct extensive discussions on maintenance and repair operation standards, and improve safety handling procedures and standard work manuals.

Figure 4-9 Family Open Day

IV. Focus on Safety and Health

Case

Various Bases Within the Group Held Themed Activities for "Safety Production Month"

In June 2025, in response to the call of the Group, various bases held the 24th national "Safety Production Month" event themed "Everyone Talks about Safety, Everyone is Capable of Emergency Response", which received active responses and enthusiastic participation from the employees. Through centralized promotion and education, the safety awareness of all staff was strengthened, safety production knowledge and skills were popularized, and a culture of "Everyone Talks About Safety, Everything Is for Safety" was fostered within Risun.

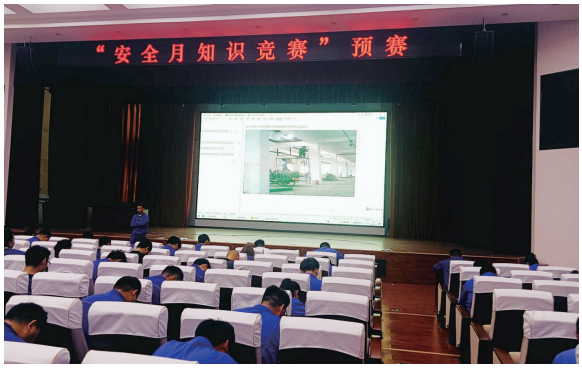


Figure 4-10 The Group's Dongming Base "Safety Month Knowledge Competition"

Figure 4-11 The Group's Cangzhou Base Safety Production Month Launch Ceremony

Figure 4-12 The Group's Xingtai Base Holds Blackboard Newspaper Publicity Campaign

Figure 4-13 The Group's Yuncheng Base Safety Production Promotion and Consultation Event

05

Promote
Green and Low-Carbon Development

V. Promote Green and Low-Carbon Development

Risun advances sustainable development practices through systematic management initiatives. In response to climate change, the Group has established a comprehensive climate governance system and risk control mechanism, and has set a long-term goal of "achieving carbon peaking by 2030 and carbon neutrality by 2060", actively implementing intelligent and green integration and clean energy transition. The Group has built a resource management system covering energy, water resources management, and ecological conservation, continuously improving resource efficiency and fulfilling its responsibility for ecological protection. Through a sound environmental management system and operational control measures, the Group systematically reduces the environmental impact of production activities, and implements comprehensive, refined management of pollutants and waste throughout the entire process, ensuring compliance with emission regulations and continuous optimization.

(I) Response to Climate Change

The Group has deeply integrated response to climate change into its corporate strategy and operations, systematically building a multi-level climate management system from governance to action. We continuously promote green and low-carbon development by strengthening risk management and promoting technological transformation and industrial collaboration, committed to achieving sustainable growth while fulfilling our climate responsibilities.

1. Governance of Climate Risk

Climate Risk Governance Framework

In terms of climate risk governance, the Group adopts a three-tier governance structure closely aligned with its ESG management framework, deeply integrating climate risk management into daily operations and management practices, and embedding it into every stage from strategy to execution. This ensures the organization remains forward-looking and resilient in addressing the challenges of response to climate change, laying a solid foundation for achieving sustainability goals.

Tier	Organizational Structure	Key Functions in Climate Risk Management
	Board of Directors	• The highest responsible and decision-making body for climate risk-related matters, responsible for comprehensive oversight of the company's ESG governance implementation process and climate risk management. • Regularly review climate risk strategies and objectives to ensure alignment with the company's long-term sustainable development goals, and oversee the implementation of significant climate-related decisions.
	Sustainability Committee	• Develop and regularly review the ESG strategy, objectives, and policy framework to systematically identify and manage climate – and ESG-related risks and opportunities, formulate response strategies, and ensure the integration of climate risk management into the company's overall strategic framework. • Oversee compliance with laws, regulations, and international standards, assess ESG key performance indicators and ESG report quality, and regularly report progress to the Board of Directors while providing recommendations for improvement.
	Sustainability Office	• The department leading and coordinating the implementation of sustainability initiatives, responsible for executing day-to-day ESG policies, monitoring the implementation of climate risk management measures, and regularly reporting ESG-related progress, including climate risk management, to the Sustainability Committee. • Coordinate internal and external resources to advance the implementation of climate adaptation and mitigation measures, ensuring the Group's leadership in response to climate change.

Tier	Organizational Structure	Key Functions in Climate Risk Management
Implementation Tier	E/S/G Functional Departments	• Develop and advance the climate-related risk management work plan, ensuring its control measures are aligned with and promoted in coordination with the Group's overall sustainable development strategy. • Organize research on climate policies, regulations, and industry trends, and conduct internal specialized training to systematically enhance the team's response to climate change. • Regular communication with internal and external stakeholders ensures that the sustainability strategy effectively responds to the expectations of all parties, accurately addresses risks and opportunities, and practically drives goal implementation and continuous improvement.
	Subsidiaries	• Develop and implement localized climate action and sustainability plans based on business characteristics and regional requirements, manage environmental and social risks in local operations, and regularly report on implementation progress. • Maintain communication with external stakeholders such as local communities, customers, and regulatory bodies to ensure effective implementation of the Group's strategy at the grassroots level.

Climate Governance and Compensation Performance

The Group conducts refined and routine evaluations and incentives for departments and workshops through the *Environmental Protection On-site Management Assessment System* and the *Energy Consumption Quota Management System*, incorporating climate-related performance indicators into the assessment framework to ensure the effective implementation of the Group's green and low-carbon operational management concept through economic measures.

The *Environmental Protection On-site Management Assessment System* establishes detailed on-site environmental assessment criteria, setting graded penalties ranging from financial fines to demotion or dismissal for incidents such as the release of pollutants including dust, odors, wastewater, and solid waste, management dereliction, and abnormal shutdowns of environmental protection facilities. It also provides corresponding cash rewards for proactive environmental management and reporting of violations. The *Energy Consumption Quota Management System* sets clear unit product consumption quotas for key energy types such as water, steam, gas, and electricity for each workshop and major equipment, and implements an economic evaluation mechanism that rewards conservation and penalizes overconsumption, with monthly calculations and settlements.

The Group's Dongming Base uses energy consumption indicators from manufacturing costs as the core climate-related performance metrics, which have become an important part of the executive performance-based annual salary assessment. The specific weighting is allocated according to management responsibilities: 20% for the Deputy General Manager of Production, 15% for the General Manager and other Deputy General Managers, and 10% for other relevant executives. The assessment is conducted on a monthly basis, with the following criteria: for every 1% increase in actual energy consumption compared to the budget target, 0.25 points are deducted; for every 1% decrease, 0.25 points are awarded. This mechanism drives management to continuously optimize energy management and low-carbon production practices. Going forward, the Group will continue to refine its performance evaluation system, gradually incorporating more sustainability-related indicators into the assessment framework, further strengthening the alignment between compensation incentives and long-term climate performance.

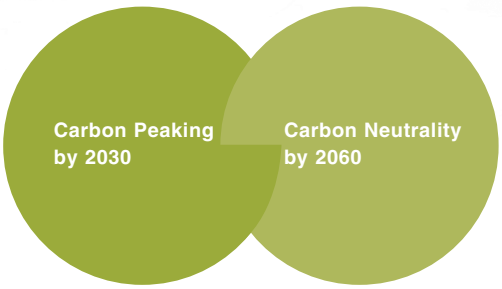
V. Promote Green and Low-Carbon Development

2. Climate Action Strategy

To fulfill the responsibility of an industry leader, based on in-depth research into global low-carbon transition trends and national "dual carbon" policies, we have released the *Risun Group Carbon Peak and Carbon Neutrality Action Plan*. With a long-term perspective, this plan outlines the Group's overall strategy for achieving carbon peaking and carbon neutrality. By taking the lead in exploring green and low-carbon development pathways within our own industries, we aim to fully leverage our role as an industry leader, setting an example and striving to become a pioneer in carbon neutrality within the coking and chemical industries, contributing to carbon peaking and carbon neutrality in China and globally.

Carbon Peaking and Carbon Neutrality Goal

Risun Commitment—



Carbon Peaking and Carbon Neutrality Policy

The Group has fully integrated the national carbon peaking and carbon neutrality goals into its corporate management system, taking the *Risun Group Carbon Peak and Carbon Neutrality Action Plan* as the guiding framework to systematically establish and continuously improve the institutional system for carbon emission and energy management. On the basis of strictly complying with national laws and regulations such as the *Action Plan for Carbon Dioxide Peaking Before 2030*, the *People's Republic of China Law on the Promotion of Clean Production*, the *People's Republic of China Energy Conservation Law*, the *Interim Regulations on the Management of Carbon Emission Trading*, and the *People's Republic of China Renewable Energy Law*, the Group has established comprehensive institutional frameworks covering the entire process and all aspects, including the *Carbon Emission Management System*, *Energy Management System*, and the *Risk and Opportunity Identification Management System*. By developing detailed data quality control plans and monthly verification procedures, the Group ensures the accuracy and transparency of carbon emission data. Meanwhile, the Group has established a "dual-control" system for total carbon emissions and carbon intensity, incorporating carbon emission considerations into corporate development planning and project environmental impact assessments to implement emission reduction measures at the source and enhance overall carbon emission management capabilities.

In addition, the Group has established an Environmental Protection Research Institute, a Dual Carbon Research Institute, and a Hydrogen Energy Research Institute to explore pilot projects on carbon capture, utilization, and storage (CCUS), expand hydrogen energy business, and strive to become a key driver in the clean and efficient transformation of the coal chemical industry.

V. Promote Green and Low-Carbon Development

Carbon Peaking and Carbon Neutrality Strategy

Consistent with our longstanding commitment, Risun adheres to the principles that "national strategies represent our highest priority" and "meeting the needs of the era defines our direction forward." Guided by our ideal "to contribute the greatest possible force toward societal progress," we focus intently on four key areas of low-carbon development: full lifecycle green operations, green and low-carbon transformation and upgrade, carbon capture/utilization/storage, and low-carbon operational management. By fully leveraging our role as an industry leader, we pioneer pathways for green and low-carbon development, guiding the future direction of industrial advancement.

Tripartite Growth Model		
Multi-dimensional Growth	Multi-industry Development	Multi-regional Deployment

Four Breakthrough Strategies			
Innovation-Driven Leadership	Transformation from Traditional Manufacturing into Service-Oriented Manufacturing	Upgrading Automation and Informatization to Intelligence and Digitization	Platform Based Development

Serves as a "pioneer and demonstrator"	**Serves as a "standard setter"**	**Serves as a "leading player in the industry"**
Leveraging Risun's rich experience in the industry, driving the upstream and downstream of the industrial chain and supply chain, accelerating the clean production, clean energy, clean supply chain, and low-carbon office.	Promoting innovation in business models, institutional mechanisms, and technological products, and guiding green and low-carbon production and lifestyle.	Systematically sorting out the emission reduction list of production processes throughout the entire life cycle, deeply exploring the potential of processes, energy conservation and emission reduction, and striving to be the first in the industry to achieve carbon peak.

V. Promote Green and Low-Carbon Development

Core Work of Carbon Peaking and Carbon Neutrality Action

In terms of work deployment, the Group has set 2030 as a key milestone, focusing on emission reduction targets and low-carbon transformation directions, and is comprehensively advancing decarbonization initiatives across eleven core areas (further broken down into 39 specific tasks):

1	**Promote green and low-carbon production processes**	Persist in independent research and development and collaborative innovation, cooperate with research institutes to establish an industry-education-research-application system, and actively pilot and promote new green and low-carbon production technologies.
2	**Actively carry out carbon capture, utilization, and storage work**	Focus on the application of high-end chemical new materials based on carbon dioxide, degradable plastics, carbon dioxide synthesis of methanol, carbon dioxide oil displacement, and carbon dioxide storage.
3	**Accelerate industrial transformation and upgrading**	Combine the advantages of Risun's industry, vigorously develop advanced low-carbon products such as biodegradable plastics, hydrogen energy, and build insulation materials.
4	**Further improve the green supply chain system**	Continuing to increase the proportion of rail transportation, increasing the proportion of new energy vehicles such as LNG vehicles and hydrogen heavy-duty trucks in logistics, planning and constructing a gas hydrogen electric oil four in one comprehensive station around the park, and selecting green production enterprises as suppliers.
5	**Promote collaborative carbon reduction across the upstream and downstream of the industrial chain**	Coupled development with steel enterprises, exploring new development models, unified planning, local matching, reducing logistics and energy consumption, and lowering carbon emissions.
6	**Vigorously develop the hydrogen energy industry**	Formulate and implement the *Risun Group Hydrogen Energy Development Plan*, leverage six competitive advantages, follow the "1124" development strategy, and strive for a full-industry-chain layout to build Risun Group into a clean and low-carbon energy supplier, an energy ecosystem integrator, an advanced energy technology provider, and an outstanding energy transition service provider. This will effectively support the implementation of the Group's energy strategy and create a new business growth engine for the Group.
7	**Increase the electrification rate and the proportion of clean energy**	The electrification rate is expected to reach 20% by 2030, with hydrogen energy power generation used to replace non-electrifiable applications; actively expand layout in new energy sources such as photovoltaics, wind power, and hydrogen energy; expand hydrogen energy application scenarios across all Risun industrial bases.
8	**Comprehensive platformization, digitization, and intelligent development**	Promote the industrial internet platform "Risun Industrial Cloud" for the energy and chemical industry, providing a low-access-cost, high-value-added industrial internet platform for both our own operations and industry enterprises; address industry challenges in production processes through advanced technologies; build an integrated energy management system based on "Risun Industrial Cloud" to enhance environmental protection and safety levels in manufacturing environments, improve the efficiency of electricity, water, and other resource utilization, reduce energy consumption and carbon dioxide emissions, and increase overall energy efficiency.
9	**Build Risun Forest and Public Welfare Forest, and develop forestry carbon sinks.**	
10	**Advocate green office and green life.**	
11	**Promote the development of overseas layout**	Implement a nationwide business layout combined with global expansion, advancing coking overseas expansion to the "Sixth Five-Year Plan" period, exchanging "time" for "space" and "overseas" to supplement "domestic", and placed in a strategic position for rapid and orderly promotion; conduct research and planning for downstream fine chemical projects to extend, strengthen, and fill gaps in the industrial chain, grow the circular economy industrial cluster, expand effective industrial investment, enhance industrial carrying capacity, and build Risun's first overseas modern coal chemical, new energy, and new materials circular economy intelligent industrial base.

V. Promote Green and Low-Carbon Development

Implementation Measures for Carbon Peaking and Carbon Neutrality Strategy

In advancing the implementation of the "dual carbon" goals, the Group has taken the integration of intelligence and greening as the core approach, systematically promoting the carbon peaking and carbon neutrality strategy and establishing a carbon reduction management system covering operations, investment, and technology, steadily moving toward low-carbon and sustainable development. During the reporting period, the Group has incorporated resource allocation for response to climate change into strategic planning and annual budgets, systematically allocating financial, human, and technological resources to support the implementation of its climate transition plan. Going forward, the Group will continue to increase resource investment to ensure effective alignment between emission reduction measures and the carbon neutrality pathway, driving the robust implementation of its climate strategy.

- *Intelligent and Green Integration Construction*

In the process of sustainable development, the Group actively explores low-carbon transformation pathways by building smart factories and green factories. We take intelligent technologies as the core to create an efficient and precise production system, optimizing resource allocation through data-driven approaches, significantly reducing energy consumption and emissions. At the same time, we comprehensively promote green factory construction by adopting clean energy, energy-saving equipment, and recycling technologies to ensure that the production process is low-carbon and environmentally friendly.

■ Smart Factory

Risun adheres to the strategy of "complete automation, thorough automation, complete informatization, and thorough informatization", and comprehensively implements the strategic deployment of digital and intelligent transformation and upgrading by building the "Risun Industrial Cloud" internet platform, systematically advancing digital transformation and intelligent upgrading.

Case

The "Intelligent Factory for Lean Management throughout the Coal Coking Process" at the Group's Dingzhou Base Has been Included in Hebei Province's "List of Advanced Intelligent Factories (First Batch 2025)."

The Group's Dingzhou Base is closely seizing the global trend of intelligent manufacturing by continuously investing resources to build a comprehensive and deeply integrated digital platform system. This platform deeply integrates new-generation digital technologies such as artificial intelligence, digital twins, and the industrial internet, covering the entire operational management process including safety and environmental protection, quality control, energy management, logistics scheduling, coal blending and coking, chemical production, marketing, and finance, enabling real-time optimization from production monitoring to resource allocation. By promoting the implementation of intelligent solutions across multiple scenarios, the Base has not only achieved precise control and enhanced efficiency in production and operations but also continuously driven improvements in product quality and lean resource allocation, establishing a solid digital foundation and intelligent support for safe, green, innovative, efficient, and sustainable development.

Figure 5-1 Intelligent Management and Control of the Group's Dingzhou Base

V. Promote Green and Low-Carbon Development

Case

Hohhot Base, Inner Mongolia (Risun China Gas) of the Group Has Been Included in the National "2025 5G Factory Directory"

Risun China Gas was recently selected for the "2025 5G Factory Directory" released by the Ministry of Industry and Information Technology, becoming a benchmark enterprise in industrial intelligent development.

Figure 5-2 Risun China Gas Factory

As a key enterprise in the Group's strategic layout in the Inner Mongolia region and the "chain leader" of Hohhot's new materials industry cluster, Risun China Gas continues to advance the upgrading of its production system toward higher-end, intelligent, and greener operations. The company actively deepens the application of 5G technology in industrial scenarios, leveraging its technical advantages such as high data rates, low latency, and massive connectivity to significantly enhance production and management efficiency, overcome constraints of traditional factors, and support its digital and intelligent transformation.

Risun China Gas will further implement the *5G Large-scale Application "Yangfan" Action Upgrade Plan*, formulate systematic planning based on enterprise realities, promote the enabling application of 5G technology across broader scopes, deeper levels, and higher standards, and continuously strengthen capabilities in network services, industrial collaboration, and ecosystem construction, laying a solid foundation for the company's industrial digitalization development and the cultivation of digital industrialization.

Case

The Intelligent Inspection Robot System at the Group's Dongming Base Has Been Officially Launched

The Group's Dongming Base successfully launched the self-developed intelligent inspection robot system, marking a phased achievement in the company's smart factory construction. Targeting "replacing manpower with mechanization, reducing personnel with automation, and achieving unmanned operations with intelligence", the system establishes a multimodal collaborative inspection architecture integrating "mobile robots, fixed pan-tilt-zoom cameras, and smart terminals". This architecture ensures comprehensive inspection coverage while enhancing monitoring frequency and data stability at critical points. Equipped with gas sensors, infrared thermal imagers, and high-definition cameras, the system enables round-the-clock automatic monitoring and intelligent early warning of parameters such as pressure, liquid level, valve status, and leakage risks in key areas like liquid ammonia spherical tanks. This significantly improves inspection efficiency and data reliability, strengthening the intrinsic safety level of the base. The application of this system not only reduces the workload and operational risks for the employees but also provides technical support for stable production and high-quality development, laying a solid practical foundation for future predictive maintenance of production equipment, expansion of intelligent scenarios, and replication and promotion of the system.

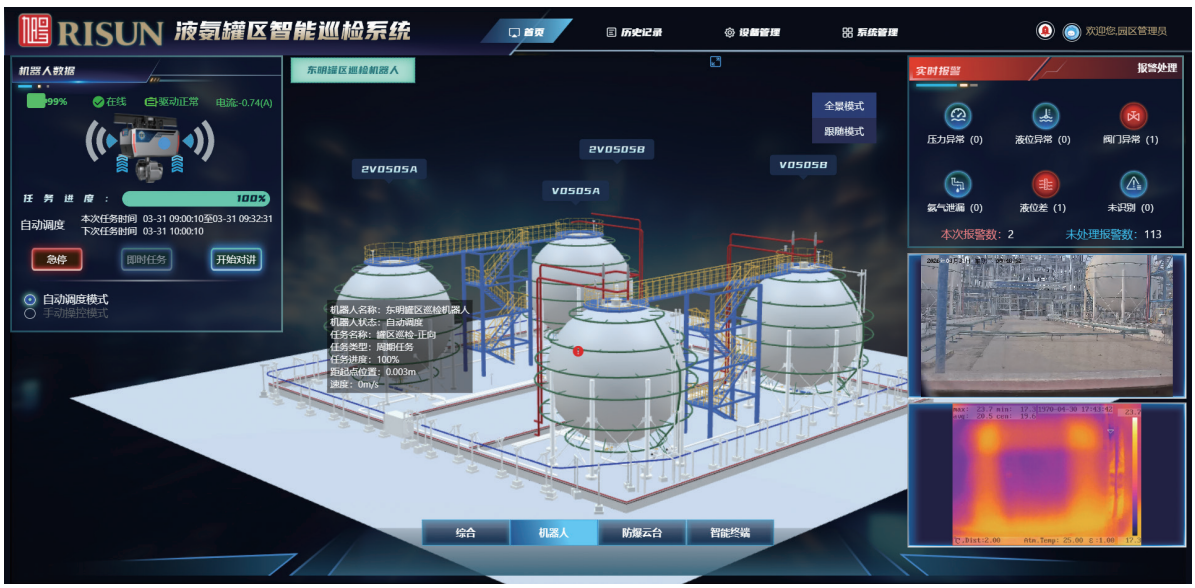


Figure 5-3 Interface of the Group's Intelligent Inspection Robot System

V. Promote Green and Low-Carbon Development

Green Factory

As a manufacturing enterprise, the Group emphasizes promoting green and low-carbon production processes while ensuring stable development, striving to build a green factory characterized by "intensive land use, non-hazardous raw materials, clean production, resource recovery of waste, and low-carbon energy utilization". Guided by the strategic direction of developing circular economy and low-carbon economy, and committed to becoming a resource-efficient and environment-friendly enterprise, the Group has initiated top-level design to scientifically plan development goals, regional layouts, implementation pathways, and resource guarantee for green industrial parks and green factories, systematically advancing green transformation. Through continuous technological innovation and management optimization, Risun has achieved significant progress in promoting green and low-carbon development, setting a benchmark for the industry.

As of the end of the reporting period, Risun has operated 6 national-level green factories, 1 provincial-level green factory, and 2 municipal-level green factories. All 11 of its production companies have obtained ISO 14001 environmental management system certification, placing it at the leading level in the industry.

Green Transportation

Risun regards emission reduction in the transportation sector as a key measure to implement the "dual carbon" strategy, and systematically promotes the optimization of transportation structure and clean transformation.

- The Group's Dingzhou Base has improved unloading efficiency by adopting automated unloading equipment such as car dumpers and screw unloaders, and strengthened coordination of internal locomotive scheduling to shorten operation time and reduce diesel consumption. Meanwhile, the proportion of clean energy vehicles continues to increase, reducing energy consumption and emissions at the source. In addition, the Group's Dingzhou Base has been granted a patent for "A pressure energy recovery device for high-pressure hydrogen storage tanks of hydrogen fuel cell vehicles". By combining a multi-stage hydrogen pressure reduction module with an electrical energy storage module, this device converts the pressure energy from high-pressure hydrogen tanks into electrical energy for storage, thereby enhancing the energy utilization efficiency of fuel cell vehicles and achieving a reduction in comprehensive energy consumption.

- The dedicated railway line of the Group's Pingxiang Base achieved full connectivity, undertaking the core transportation tasks of coal delivery to the plant and coke shipment from the plant. This dedicated line seamlessly connects with the national trunk network of the Shanghai-Kunming Railway and the Pingshi dedicated line, bridging the "last kilometer" of rail logistics. It has not only significantly reduced transportation costs for bulk materials and enhanced logistics stability and safety, but also notably strengthened the regional rail-based green collection and distribution capacity, making a significant contribution to optimizing transportation structures and promoting green and low-carbon development for both the enterprise and the local area.

Green Financing

Risun has always adhered to the concept of green development and actively positioned itself in the sustainable finance sector since its emergence, driving green transformation through innovative financing models and achieving notable results and recognition. Since its listing in 2019, the Group's total financing in sustainability-related loan areas has reached approximately $1.275 billion.

To optimize cash flow allocation, enhance the localization of financing, and comply with Indonesia's fund supervision requirements, the Group has carried out refinancing of the original syndicated loan for Sulawesi Base, Indonesia. The new loan is a 5-year sustainability-linked loan with a maximum amount of $453 million. This loan uses greenhouse gas emission reduction and frequency of employee safety training as key sustainability performance indicators, demonstrating the Group's commitment to sustainability.

Internal Carbon Pricing

Some of the Group's factories have established and implemented internal carbon pricing mechanisms (set at 30-120 (RMB/tons of CO_2e), this mechanism comprehensively considers external carbon market prices, the company's marginal abatement costs, and long-term strategic objectives. The carbon price is systematically integrated into multiple core management scenarios, including investment project evaluation, production and operational optimization, supply chain management, and budgeting. This integration shifts decision-making logic from "cost priority" to "carbon cost priority", guiding resources toward low-carbon technologies and making low-carbon solutions the preferred choice in technology and project selection. As a result, climate-related risks and transition costs are effectively internalized, providing the Group with sustained management momentum and financial guidance in achieving its carbon neutrality goals.

- *Greenhouse Gas Capture*

The Group places great emphasis on carbon emission management in production and operations. While actively promoting renewable energy substitution, it continues to explore the feasibility of capturing and utilizing carbon dioxide emissions from existing facilities. Some bases have already conducted preliminary studies on relevant technological pathways, laying the foundation for future implementation.

During the reporting period, to build a systematic greenhouse gas emission reduction system and strengthen core competitiveness in low-carbon development, the Dingzhou Base of the Group focused on carbon emissions at the production stage and actively advanced the planning, research and development, and implementation of greenhouse gas capture, utilization, and storage (CCUS) projects. These projects primarily target high-concentration carbon dioxide generated during processes such as coke oven gas purification and recovery and chemical off-gas treatment. Through technological pathways including capture, purification, and resource utilization (e.g., methanol synthesis), the initiatives promote quantifiable greenhouse gas emission reductions and value transformation, providing practical experience for the green and low-carbon transition of the industry.

In the future, Risun will continue to carry out carbon capture-related activities and promote the implementation of demonstration projects when conditions are mature, continuously enhancing its full-process carbon management capabilities.

3. Climate Risk Management

The Group places response to climate change at the top of its strategic priorities and continuously monitors national "dual carbon" policy developments and industry trends toward low-carbon transformation. Based on its business layout and operational realities, we systematically identify and assess climate-related risks and opportunities, fully integrating them into the Group's risk management system. By analyzing the financial impacts of climate risks on our operations and supply chain, the Group has developed corresponding mitigation and adaptation measures, and promotes the effective implementation and continuous improvement of these measures through regular reviews and iterative optimization mechanisms. During the reporting period, the Group conducted a systematic assessment of climate-related risks and opportunities, with all assets and business activities affected by climate transition risks and physical risks; however, none of the identified physical risks resulted in losses to the Group's production and operations.

Climate Scenario Analysis

The Group assesses the actual and potential impacts of climate change on its business operations through climate scenario analysis, improves the risk and opportunity management system, and reduces the impact of climate change on Risun's production and operations through prevention, monitoring, and response measures. At the same time, it actively seizes opportunities arising from climate change, enhances corporate resilience, and supports the Group's comprehensive transition toward green and low-carbon development. At this stage, the Group qualitatively describes the impacts of risks and opportunities. With regard to physical risks and climate-related opportunities, as a dedicated climate assessment has not yet been conducted, the Group is currently unable to provide accurate quantitative data on the extent of impact, nor is it possible to prioritize risks or systematically assess their likelihood, magnitude of impact, and current or expected financial implications. Regarding transition risks, 100% of the Group's business activities are closely related to low-carbon transition, and are therefore fully exposed to climate-related transition risks. In the future, the Group plans to adopt internationally recognized scenario models to perform quantitative analysis, enabling prioritization of risks and systematic evaluation of key metrics such as likelihood, impact magnitude, financial amounts, and scope.

- *Scenario Selection*

Risk and Opportunity Categories	Scenario	Expected Temperature Rise	Scenario Description
Physical Risk	SSP5-8.5	4.4℃	The rapid growth of the global economy has primarily relied on fossil fuels and energy-intensive industries, with almost no climate policy regulation, leading to continuously rising carbon dioxide emissions. Emissions are projected to double by 2050, and global temperature rise is expected to reach 4.4℃ by 2100.
Transition Risk	Future carbon emissions tend toward zero	1.5℃	Global carbon dioxide emissions are significantly reduced, achieving net-zero emissions around the middle of this century. By 2100, global temperature rise will be approximately 1.5℃.
Opportunity			

V. Promote Green and Low-Carbon Development

- *Time Range of Impact*

The Group systematically categorizes climate-related risks and opportunities into short-term, medium-term, and long-term dimensions based on its own strategic planning cycle, to precisely align with operational management timelines and support strategic decision-making.

Short-term	0-1 year	Integrate climate-related factors into the annual business plan, with a focus on managing risks and opportunities directly associated with current operations and compliance & risk management, ensuring the achievement of annual production, operation, and emission reduction targets.
Mid-term	1-5 years	Align with the Group's five-year plan to advance system capabilities, incorporate climate issues into technological upgrades and strategic planning, aiming to enhance operational resilience and seize development opportunities in the low-carbon transition.
Long-term	5 years or more	Guided by the Group's long-term development framework, we are committed to building a long-term governance system and industrial ecosystem adapted to climate change, promoting fundamental green transformation, and achieving sustainable high-quality development.

- *Physical Risk*

■ **Trends in Physical Risks**

Under the SSP5-8.5 scenario, the future trends of various influencing factors are as follows:

Risk Type	Affecting factors	Future Trend Forecasting
Acute Risk	Extreme weather	The frequency, intensity, and duration of extreme weather events will significantly increase. By mid-century, the likelihood and destructiveness of heatwaves, heavy precipitation, droughts, and intense tropical cyclones in most regions worldwide will be substantially higher than current levels, leading to a sharp rise in risks of operational disruptions and supply chain shocks for businesses.
Chronic Risk	Average temperature rise	Global average temperatures will continue to rise at an accelerating pace, with projections indicating an increase of more than 4.4°C above pre-industrial levels by 2100. This will trigger ongoing sea-level rise, long-term regional water scarcity, and declining ecosystem stability, posing systemic threats to corporate asset security, resource costs, and long-term strategic planning.

V. Promote Green and Low-Carbon Development

Physical Risks and Mitigation Measures

Risk Type	Risk Factors	Risk Description	Time Dimension	Value Chain Impact	Financial Impact	Responses
Acute Risk	Extreme weather	Damage to the company's production facilities located in disaster-prone areas may disrupt normal business operations and potentially trigger chemical material leakage incidents. Extreme high temperatures can increase the load on equipment cooling systems, while extreme low temperatures may cause freezing and cracking of pipelines and valves, heightening safety risks such as leaks and ruptures. If supply chain enterprises are located in regions frequently affected by extreme weather, it could lead to temporary supply chain disruptions, increased frequency of supplier replacements, and higher associated costs. Additionally, extreme weather damage to logistics infrastructure can reduce transportation efficiency and increase transportation costs.	Short- and Medium-term	Upstream, Operations, Downstream	Increased costs	The company conducted a climate risk assessment prior to selecting the site for the new facility and will develop emergency response plans and conduct drills targeting extreme weather and natural disasters. Enhance production inspections under extreme weather conditions, upgrade the protection level of critical equipment, and prioritize the use of materials and designs with superior weather resistance. Develop specialized emergency response plans for incidents such as chemical spills and fires, and conduct drills accordingly. Include the risk of extreme weather at the supplier's facility location in the qualification assessment, and establish contingency plans for the logistics and transportation system under extreme weather conditions.
Chronic Risk	Average temperature increase	Affecting the loading and unloading operations of hazardous chemicals, increasing the risks of leakage, fire, and poisoning. Rising temperatures exacerbate water resource shortages, potentially leading to insufficient supply of production water, constraining the expansion of water-intensive operations, and impacting future production capacity planning. Meanwhile, prolonged high temperatures accelerate energy consumption, increase the likelihood of work-related injuries among the employees, and impose long-term pressure on production continuity and supply chain safety.	Medium- and Long-term	Operations	Increased costs	Improve water use efficiency by upgrading or phasing out water-intensive processes, and conduct water conservation education and awareness campaigns for all personnel. Invest in building a water recycling system and establish cross-regional water resource cooperation to ensure safe water supply. Enhance protective measures for workers operating in high-temperature conditions to ensure a safe working environment. Systematically address the increased energy consumption caused by sustained high temperatures through equipment optimization and process improvements.

V. Promote Green and Low-Carbon Development

- *Transition Risk*

Trends in Transition Risk

Risk Type	Affecting Factors	Future Trend Forecasting
Policy and Legal Risks	Climate policy	Global climate policies are expected to become increasingly stringent, with carbon pricing mechanisms projected to expand and strengthen, leaving companies facing clearer emission limits, higher compliance costs, and more frequent climate-related disclosure requirements.
Technical Risk	Low-carbon technology	Low-carbon technology is evolving rapidly with continuously declining costs, yet uncertainties remain regarding optimal technological pathways; companies that fail to invest promptly or choose the wrong technological direction risk stranded assets and diminished competitiveness.
Market Risk	Market preferences	Consumers, investors, and supply chain partners will continue to strengthen their preference for low-carbon products and services, making green consumption and sustainable investment mainstream, while the market space for high-carbon products and enterprises will be gradually squeezed.
Reputation Risk	Industry competitiveness	The pace of low-carbon transition across industries is becoming increasingly divergent, with leading companies gaining brand premium and financing advantages through emission reduction initiatives, while laggards face mounting pressures including reputational damage, customer attrition, and rising capital costs.

Transition Risks and Response Measures

Risk Type	Risk factors	Risk Description	Time Dimension	Value Chain Impact	Financial Impact	Responses
Policy and Legal Risks	Climate policy	Against the backdrop of the gradual standardization of national carbon asset management, continuous optimization of accounting methodologies, and increasingly stringent requirements for corporate carbon emission information disclosure, companies' existing high-carbon products and services are facing mandatory regulation, and overall operations are subject to stricter environmental policy constraints. The future implementation of carbon pricing policies will increase operational costs across enterprises, while tightening environmental requirements may lead to limitations on coal consumption indicators, exposing companies to financial impacts such as rising electricity costs, additional carbon trading costs, investments in high-efficiency equipment, and exploration of negative emission technologies.	Medium- and Long-term	Upstream, Operations	Increased costs	Maximize energy utilization, continuously optimize the energy consumption structure, and minimize energy input to the greatest extent possible. Pay attention to the national environment and the "dual carbon" policy, and promptly adjust corporate strategies in response to policy changes. Strengthen the review of low-carbon qualifications for raw material suppliers, prioritize suppliers with low carbon emission intensity and environmental compliance, and incorporate low-carbon products into carbon cost premiums.

V. Promote Green and Low-Carbon Development

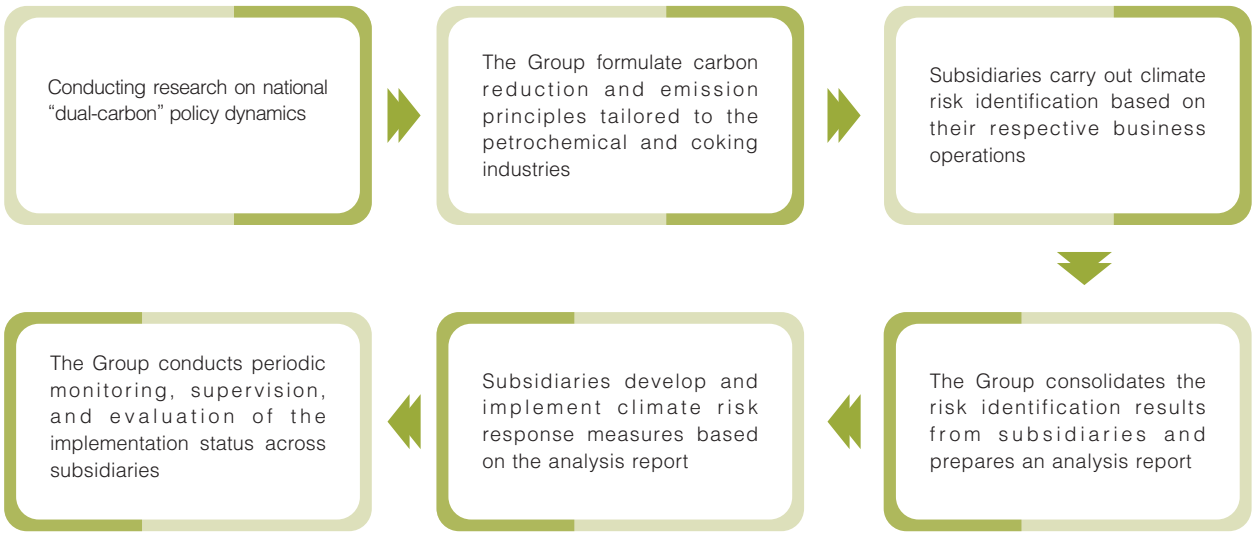
Risk Type	Risk factors	Risk Description	Time Dimension	Value Chain Impact	Financial Impact	Responses
Technical Risk	Low-carbon technology	Enterprises replacing existing high-carbon products and services with lower-emission alternatives will drive a transformative shift in industrial structure. At the same time, companies face risks such as potential failure of investments in new technologies and high costs associated with transitioning to low-emission technologies. In the medium to long term, this will impact the Group's overall strategic direction, leading to increased costs and reduced profitability due to investment in new technologies and product development.	Medium- and Long-term	Operations	Increased costs	Use energy-efficient and environmentally friendly equipment, and phase out high-energy-consuming equipment. Implement energy-saving technological upgrades, scale up the application of low-carbon and CCUS technologies, build a coordinated clean energy supply system, and improve energy efficiency. Build a high-level science and technology talent team, emphasize the cultivation of young scientific and technological talents, enhance the Group's innovation capability, and promote breakthroughs in green and low-carbon technologies.
Market Risk	Market preferences	Stakeholders are increasingly concerned about corporate carbon dioxide emission reduction performance and the degree of product greenness. The Group will place greater emphasis on demonstrating its actions and achievements in low-carbon transformation within the market, while companies lagging in green and low-carbon transition will be at a disadvantage in competition.	Medium- and Long-term	Upstream, Operations, Downstream	Increased costs and decreased revenue	Continuously optimizing the energy consumption structure and reducing the consumption of coke and coking coal, which are major energy inputs for enterprises. Implementing forest carbon sequestration and afforestation. Carry out preliminary work for product green certification and launch green products according to market demand.
Reputation Risk	Industry competitiveness	The Group's operations are of a high-emission nature, and its performance in carbon dioxide emission reduction significantly impacts corporate reputation; poor emission reduction performance could severely damage the Group's reputation. The Group will allocate more resources to promote its positive efforts in emission reduction; meanwhile, unfavorable CO_2 emission reduction performance and evaluations could also reduce the Group's financing capacity and negatively affect operating cash flows.	Long-term	downstream	Increased costs	Improve the disclosure of the company's annual ESG performance. Enhance communication with stakeholders and the public regarding the Group's ESG performance.

V. Promote Green and Low-Carbon Development

- *Climate Opportunity*

Risk Type	Risk factors	Opportunity Description	Time Dimension	Value Chain Impact	Financial Impact	Responses
Resource Efficiency	Improved resource utilization efficiency	Low-carbon upgrades, including optimization and retrofitting of production processes, installation of clean energy equipment, and carbon emission monitoring and control facilities, can directly reduce carbon emission intensity and resource consumption, support the achievement of the company's energy efficiency improvement and low-carbon transformation strategic goals, enhance production efficiency and compliance & risk management capabilities, lower operating costs, and enable access to policy subsidies and carbon-related revenues.	Short-, Medium-, and Long-term	Operations	Cost reduction	Continuously advance energy efficiency improvement initiatives, promote and apply energy-saving and carbon reduction technologies, implement energy conservation retrofit projects, and carry out low-carbon adaptive upgrades for key facilities.
Energy Source	Renewable energy applications	The application of renewable energies such as solar and hydrogen energy, combined with the downward trend in green electricity costs, can reduce reliance on and expenditures related to traditional energy sources. This supports the company in implementing its clean energy substitution strategy, ensuring energy security, optimizing the energy mix to lower operational carbon footprint, and achieving long-term savings in energy expenses and reduced operating costs.	Long-term	Operations	Cost reduction	Promote the efficient development of photovoltaic and wind power businesses and increase the proportion of green electricity consumption; actively and steadily advance the development of hydrogen energy business, and orderly implement green hydrogen projects.
Products and Services	Innovation in low-carbon solutions	The research, development, and application of green and low-carbon products and services actively respond to the growing market demand for low-carbon solutions, driving the company's product portfolio toward green innovation and helping to build sustainable competitiveness. At the same time, it meets customer preferences, enables access to new markets, enhances brand influence, and creates new sources of revenue growth.	Medium- and Long-term	Operations, Downstream	Revenue increased	Accelerate the development and application of CCUS technology, and actively promote the construction of related projects; enhance the competitiveness of clean energy supply, expedite the deployment of charging and battery-swapping networks as well as hydrogen refueling stations, and strengthen the supply capacity of low-carbon energy such as sustainable aviation fuel.
Market	Increased demand for green products	Driven by the "dual carbon" goals, demand for green and low-carbon chemicals and materials continues to grow. The expansion of strategic emerging industries such as new energy and new materials boosts demand for upstream chemical raw materials, prompting the company to shift its strategy toward green markets, reduce reliance on traditional high-carbon products, optimize its revenue structure, enhance brand recognition and customer loyalty, and strengthen revenue stability and growth potential.	Long-term	Operations, Downstream	Revenue increased	Enhance efficiency through technology development and production facility upgrades to meet market demand; strengthen strategic cooperation with downstream industries such as photovoltaics and wind power, and closely monitor market trends in green products to seize opportunities.

Risk Management Process



4. Indicators and Targets

Clarify Management Objectives

Based on the *Risun Group Carbon Peak and Carbon Neutrality Action Plan*, the Group's future development plan, and the national "dual carbon" strategy, the Group has scientifically established its low-carbon transformation goals. Relevant departments regularly monitor the implementation progress of each company in areas such as photovoltaic construction, green power procurement, and exploration of carbon neutrality pathways, dynamically assess the progress toward goal achievement, and evaluate whether adjustments to the goals are needed based on actual operations and technological advancements.The Group has established the strategic goal of "carbon peaking by 2030 and carbon neutrality by 2060" by continuously improving energy efficiency and deepening carbon reduction initiatives through technological upgrades. Currently, this goal serves as an internal management reference and has not yet undergone third-party verification. In the future, the Group will benchmark against internationally advanced standards and actively promote goal certification to strive for broad international recognition. Currently, companies are actively developing distributed photovoltaic (PV) projects, with 3.99 MW of PV projects already completed and a total of 21.992 MW under construction. Additionally, 561,697.42 MWh of clean electricity has been procured from external sources. Meanwhile, the Group is steadily advancing its carbon neutrality initiatives through various emission reduction and management measures, such as exploring CCUS technology, implementing internal carbon pricing, and promoting green transportation. All climate-related targets are being progressively achieved.

V. Promote Green and Low-Carbon Development

Greenhouse Gas Emission Performance

Risun has disclosed its scope 1 and scope 2 emissions data for several consecutive years. Regarding scope 3 emissions, due to the incomplete data collection system upstream and downstream, authoritative data is currently unavailable. The Group plans to conduct comprehensive accounting and disclosure of scope 3 emissions in the future to achieve full management of carbon emissions across the Group's value chain.

Table 5-1 Greenhouse Gas Emission Performance for 2023-2025

Types of Emissions	Unit	2025	2024	2023
Total greenhouse gas emissions (location-based)	ton CO_2e	9,492,028.33	9,691,884.74	8,892,802.20
Total greenhouse gas emissions (market-based)	ton CO_2e	8,721,638.50	9,298,189.51	–
Direct greenhouse gas emissions	ton CO_2e	8,660,928.16	8,282,411.78	8,104,456.65
Indirect greenhouse gas emissions (location-based)	ton CO_2e	831,100.17	1,409,472.96	788,345.55
Indirect greenhouse gas emissions (market-based)	ton CO_2e	60,710.34	1,015,777.72	–
Greenhouse gas emission intensity (location-based)	ton CO_2e/10,000 RMB	2.32	2.02	2.10
Greenhouse gas emission intensity (market-based)	ton CO_2e/10,000 RMB	2.13	1.94	–

Note 1: Direct greenhouse gas emissions primarily originate from fossil fuel combustion and emissions generated during production processes, while indirect greenhouse gas (ghg) emissions mainly result from the consumption of purchased heat and purchased electricity. Greenhouse gas emissions are calculated in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the Intergovernmental Panel on Climate Change (IPCC) *Fifth Assessment Report 2013*, and the *Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Independent Coke Enterprises in China (Trial Version)*. The greenhouse gas emission factors for electricity are selected based on the Ministry of Ecology and Environment's *Announcement on the Release of the 2023 Power Sector Carbon Dioxide Emission Factors*.

2: This year's total carbon emissions decreased compared to last year, primarily due to energy-saving technological upgrades and optimization of the energy mix. However, carbon emission intensity increased compared to the previous year, affected by macroeconomic conditions and market supply-demand dynamics. The downward trend in market prices for major products led to a year-on-year decline in operating revenue, with the decline in revenue exceeding the reduction in carbon emissions.

Theme Topic: Energy Saving and Emission Reduction in the Coke Sector

As one of the core businesses of Risun, we fully recognize the significant role of the coke sector in achieving the dual carbon goals. By integrating digital intelligent control, energy-saving technological innovation, and lean management, the Group continuously optimizes the entire coke production process, significantly reducing energy consumption and emissions while enhancing production efficiency. We are comprehensively promoting green manufacturing, committed to building an "efficient, clean, and low-carbon" coke production system, and deeply integrating the concept of energy conservation and emission reduction into every production phase.

- Replacement of high-energy-consuming motors: Replace multiple high-energy-consuming motors with highly efficient permanent magnet motors that achieve over 13% energy savings, reducing electricity consumption and promoting green transformation in production.
- MES 2.0 Upgrade: By upgrading the MES, a daily energy cost calculation report for various media and units will be established, enabling unit-level energy cost accounting. The data sources for each item will be more accurate, achieving refined benefit management and reducing energy consumption.
- Electrochemical Scale Removal Retrofit: By adding three electrochemical scale removal units, improve water resource utilization efficiency, enhance circulating water quality, reduce system concentration ratio, and decrease makeup water demand for the dry quenching coke circulating water system.
- Advanced treatment and resource recovery of concentrated brine: Construction of a 130 m^3/h concentrated brine recycling facility to support enterprise wastewater zero-discharge goals, achieving annual water savings of 1.0192 million cubic meters
- Reconstruction of the synthetic ammonia circulating water precision filter: A high-speed microfiltration filter has been added to replace the original quartz sand filtration system, effectively reducing the turbidity of circulating water and decreasing backwash water volume, achieving an annual water saving of 149,700 cubic meters.
- Reconstruction of gravity roller screen: Transform the north vibrating screen into an environmentally friendly non-powered ceramic grate screen and the corresponding chute, improving the production site environment while reducing equipment energy consumption, saving approximately 300,000 kWh of electricity annually.

(II) Resource Management

The Group has established a systematic resource management system covering energy, water resources, and green ecosystems. Through a robust organizational structure, standardized processes, and technological innovation, it is committed to improving energy efficiency and optimizing energy mix. In terms of water resources management, the Group implements a full-process water conservation strategy and actively adopts advanced technologies and alternative water sources. Meanwhile, the Group strictly complies with ecological protection regulations, systematically fulfilling its environmental responsibilities through digital monitoring, soil and groundwater protection, and biodiversity commitments, thus promoting harmonious coexistence between operational activities and the ecosystem.

V. Promote Green and Low-Carbon Development

1. Energy Management

To improve energy efficiency and reduce the environmental footprint of production and operational activities, the Group has established a systematic energy management system, achieving refined and continuous optimization of energy consumption through organizational strengthening, institutional improvement, target setting, and technological innovation. Based on its future development plan and the national "dual carbon" goals strategy, the Group has scientifically established management targets for comprehensive energy consumption, with relevant departments regularly monitoring the implementation progress across companies, dynamically assessing the achievement of these targets, and evaluating whether any adjustments are needed in light of actual operational performance and technological advancements.

The Group has 8 production units certified under the ISO 50001 energy management system as of the end of the reporting period.

	Comprehensive Energy Consumption Management Target (2021-2025)	Target Achievement Status
Coking Sector	Process energy consumption <115 kgce/t	Achieved
Chemical Sector	• Actively promote energy-saving technological upgrades, enhance inter unit energy synergy development, and improve energy utilization efficiency. • Optimize energy structure by advancing research and trials on biomass fuel substitution to drive energy structure optimization.	Achieved

V. Promote Green and Low-Carbon Development

Table 5-2 Certification Status of the Energy Management System

Xingtai Risun Chemical Certified

CNC Risun Certified

Energy Management System GB/T 23331-2020 ISO 50001:2018

Xingtai Risun Coal Chemical Certified

Jinniu Risun Certified

Hebei Risun Certified

Dingzhou Tianlu Certified

Cangzhou Risun Certified

Risun China Gas Certified

V. Promote Green and Low-Carbon Development

Management System and Structure

The Group has established a clear energy management organizational system, implementing a three-tier management structure at the company, department/workshop, and team levels. At the level of each subsidiary and branch, an energy management leadership group has been formed, led by the Deputy General Manager or General Manager of production and composed of heads of major production and functional departments, responsible for decision-making on energy strategies, objectives, and significant matters. Under this leadership group, an energy office or working group – managed by the production management department or technical department – handles the formulation of systems, daily supervision, data statistics and analysis, and the specific implementation of assessment activities. Each production workshop has established an energy management group, with part-time energy administrators appointed at the team level, ensuring that management requirements are effectively implemented at the frontline of production.

To standardize management, the Group has developed and implemented a series of core systems across all its campuses, including the *Energy Management System*, the *Energy Measurement Management System*, the *Energy Quota Management System*, the *Energy Conservation Management System*, and the *Management Regulations for "Leakage and Spillage" at Production Sites*. These systems clearly define management responsibilities at all levels and establish a closed-loop, full-cycle management process covering the provision of energy measurement instruments, data collection, quota setting, and performance evaluation. Energy consumption indicators are broken down progressively to each production unit and incorporated into performance assessments.

Daily Management

Leakage and Spillage Control and Management	• Strictly enforce the *Management Regulations for "Leakage and Spillage" at Production Sites*, organize special inspections weekly, issue notifications and supervise the rectification of identified issues, and establish a normalized governance mechanism. ■ The *Management Regulations for "Leakage and Spillage" at Production Sites* clarifies the responsibilities of all departments, handling procedures, and assessment criteria regarding leakage issues. As the responsible entity, production workshops are in charge of daily inspection and control. Operators must take temporary protective measures within 5 minutes upon discovering a leakage point and report it progressively. Maintenance and management personnel must arrive on site within 10 minutes to determine the solution plan, and the mechanical workshop must arrange maintenance within 30 minutes. For high-risk or on-site unmanageable leakage points, production workshops may apply for outsourced sealing, which is required to arrive within 24 hours. The regulation also includes strict timeliness evaluations, imposing penalties on individuals who fail to act or arrive on time, while rewarding practical small improvements and innovations, ensuring timely and effective handling of leakage points and preventing production and environmental risks.
Off-Peak Electricity Consumption	• Enhance power factor monitoring to qualify for electricity price incentives; operate non-continuous equipment during off-peak hours to shift electricity demand; optimize the operation of shared equipment such as cooling water fans and air compressors by adjusting the number of units in operation and their status according to load requirements.
Energy Consumption Monitoring	• Utilize the MES system information platform to monitor various energy data and energy balance, making production management transparent, standardized, institutionalized, and systematic, enabling timely detection of abnormalities and optimization of operations.
Education and Training	• Leverage opportunities such as "National Energy Conservation Promotion Week" and "World Environment Day" to conduct extensive publicity through slogans, videos, and themed activities, fostering a strong atmosphere of energy conservation and emission reduction with full participation. • By establishing QC teams and conducting engineering research projects, the employees are encouraged to propose rationalization suggestions regarding energy conservation, consumption reduction, and environmental protection in production, and outstanding results are promoted and applied.

V. Promote Green and Low-Carbon Development

Green Production

Device Upgrade

- Mandatorily phase out high-energy-consuming motors listed in the directory, and replace them with first-class efficiency motors or permanent magnet synchronous motors.
- Replace outdated line-frequency single-stage compressors with PLC-controlled two-stage screw compressors, paired with zero air-consumption blower regeneration dryers, significantly improving air supply efficiency.
- Extensively apply frequency conversion technology to retrofit high-energy-consuming equipment such as blowers, molten salt pumps, cooling tower fans, and circulating water pumps by installing or replacing them with frequency inverters, enabling precise speed regulation according to actual process requirements and achieving significant electricity savings.

Energy-Saving Technology Upgrade in the Coking Sector

- Promote CDQ technology: Recovering sensible heat from red-hot coke to generate steam for power generation significantly reduces energy consumption and pollution caused by wet quenching. The Group's Hohhot Base in Inner Mongolia implemented a technological upgrade by integrating waste nitrogen with CDQ, introducing inert gas into the CDQ furnace, effectively reducing coke burn-out rate and circulating system temperature. This achieved annual water savings of 417,900 tons, energy savings of 4,658.64 tons of standard coal, and a reduction of 15,411.76 tons of carbon dioxide emissions.
- Intelligent coal blending system: integrating multiple data such as raw coal quality, cost, and coke quality requirements, dynamically calculating the optimal coal blending scheme, while stabilizing coke quality and reducing coal blending costs.
- Precise heating automatic control for coke ovens: Through an intelligent control system, the gas-to-air ratio in the combustion flues of coke ovens is adjusted in real time to achieve optimal combustion control, effectively reducing excessive consumption of heating gas and lowering specific energy consumption per unit of product while ensuring coke quality.

Energy-Saving Technology Upgrade in the Chemical Sector

- Resource utilization of cyclohexanone waste alkali solution: using the waste alkali generated during the production process as a supplementary carbon source for the wastewater treatment system, in combination with liquid carbon sources. This approach achieves "waste treatment by waste utilization", while reducing the consumption of externally purchased fresh carbon sources and liquid alkali, thereby lowering material processing costs.
- Optimize thermal coupling and system integration of distillation columns: Implement internal heat integration in distillation systems such as hydration and cyclohexanone units. By optimizing the inter-tower heat exchange network, the heat from the high-temperature tower overhead vapor is directly utilized to heat the reboiler of the low-temperature tower, reducing external steam consumption by approximately 2 tons per hour.
- Fluoride removal from wastewater: the Group's Yuncheng Base, leveraging a self-developed fluoride removal additive from the Group's Environmental Research Institute, successfully validated a co-reagent-based advanced treatment solution through a 50-day on-site trial, with all performance indicators meeting expectations. This technical solution maximized the use of existing equipment to construct the fluoride removal system, achieving significant cost reduction and efficiency improvement.

V. Promote Green and Low-Carbon Development

Case

Energy-Saving Retrofit Project of Phthalic Anhydride Air Compressor at the Group's Laoting Base

Replace the original four 220 kW line-frequency single-stage compressors with four new 220 kW two-stage compression screw air compressors equipped with PLC intelligent control systems, while retaining the existing one 315 kW line-frequency single-stage compressor as a backup. Replace the current two micro-heat adsorption dryers with two new sets of 200 m^3/min frequency-variable refrigerated dryers combined with zero-air-consumption blower regeneration adsorption dryers.

Figure 5-4 Dryer "One in operation and one on standby"

Green Office

Lighting Management	• Promote the use of sound-activated or motion-sensor switches for lighting in office areas, corridors, stairwells, and other public spaces to eliminate unnecessary continuous lighting. • Control indoor lighting by zones according to natural daylight conditions. • Lighting in plant roads and equipment areas shall be controlled by scheduled on/off switching or automatically adjusted based on illuminance levels.
Office Equipment	• Turn on office equipment such as computers, printers, and copiers only when needed, and power them off when not in use for extended periods to reduce standby energy consumption. • Promote paperless offices and reduce equipment usage.
Air Conditioning System	• Strictly enforce the regulation that indoor air conditioning temperatures in summer should not be set below 26°C and in winter should not exceed 20°C. • Promote turning off air conditioning in advance before leaving work and make use of natural ventilation. Regularly clean the air conditioner filters to ensure heat exchange efficiency.

V. Promote Green and Low-Carbon Development

Clean Energy Technology

The Group has listed clean energy technology innovation as a key priority, focusing on areas such as photovoltaics, hydrogen energy, and waste heat utilization. Each production base has planned and invested in clean energy projects including photovoltaic power generation and hydrogen energy production. As of the end of the reporting period, the total investment by Risun in clean energy technology reached RMB103.4822 million.

Distributed Photovoltaic

- Construct photovoltaic power stations utilizing building rooftops, parking lot canopies, and idle land within the premises, adopting a "self-generation for self-consumption" model to replace part of the externally purchased electricity.
- Results:
  - The Group's Laoting Base: 5.415 MW photovoltaic project is being constructed, with an estimated annual power generation of 7,010,000 kWh, reducing carbon dioxide emissions by approximately 3,720 tons per year.

Figure 5-5 Photovoltaic Equipment at the Group's Laoting Base

  - The Group's Yuncheng Base: 3.99 MW distributed photovoltaic power station has been built, with an estimated annual power generation of approximately 5,096,100 kWh in 2025, reducing carbon emissions by about 2,704 tons per year; an additional distributed photovoltaic power station of approximately 4 MW is under construction.
  - The Group's Cangzhou Base: 8.38 MW distributed photovoltaic project is under construction, with an annual power generation of approximately 9,730,000 kWh, expected to reduce carbon emissions by about 5,163 tons in 2026.
  - The Group's Dingzhou Base: 4.197 MW distributed photovoltaic project is under construction.

V. Promote Green and Low-Carbon Development

Hydrogen Energy

- Invest in the construction of a hydrogen purification and refueling project to produce clean hydrogen energy products, serving the transportation or industrial sectors and promoting low-carbon transformation.
- Results:
  - The Group's Laoting Base: Invested in the construction of a 5,000 Nm^3/h facility, achieving an annual reduction of approximately 41,210 tons of carbon dioxide emissions

Figure 5-6 Tangshan Risun Hydrogen Energy Project

  - The Group's Dingzhou Base: Has planned and constructed a liquid hydrogen demonstration project, which is expected to start operation in April 2026.

Green Electricity Procurement

- Actively expand the volume and proportion of green electricity procurement across all bases to increase the share of green electricity usage.

Table 5-3 Energy Consumption Performance for 2023-2025

Resource Type	Unit	2025	2024	2023
Coal	Ton	14,502,156.17	12,873,596.99	11,660,898.69
Diesel	Ton	2,823.58	2,906.87	3,180.31
Gasoline	Ton	44.36	40.76	45.41
Natural gas	ten thousand cubic meters	1,076.79	–	–
Net purchased electricity	MWh	1,451,922.03	1,772,647.41	1,465,659.66
Self-generated electricity	MWh	2,358,827.64	2,109,854.60	1,765,468.05
Purchased clean electricity	MWh	561,697.42	430,000	–
Net purchased heat	GJ	551,912.21	2,068,476.02	-442,735.25
Comprehensive energy consumption	tons of standard coal	12,965,288.91	12,844,058.97	9,179,882.01
Comprehensive energy consumption density	tons of standard coal/ RMB ten thousand	3.17	2.68	2.17

Note: 1. The comprehensive energy consumption data in the table are calculated in accordance with the *General Principles for Calculation of Comprehensive Energy Consumption GB/T 2589-2020*; 2. Energy consumption data in the table are derived from the Group's production statistics ledger; 3. Density-related data in the table are calculated by dividing the consumption volume by operating revenue.

2. Water Resources Management

The Group places great importance on the efficient and sustainable use of water resources, integrating water conservation management into the core aspects of corporate operations. Based on future development plans and actual water usage conditions, it scientifically sets management targets for freshwater consumption. Relevant departments regularly monitor the implementation across all companies and assess, based on actual operations, whether any revisions are necessary, thereby establishing a comprehensive, systematic water resources management system. During the reporting period, the Group did not experience any water-related incidents.

Freshwater Consumption Management Target (2021-2025)	Target Achievement Status
Water recycling rate >98%, promoting the recycling and utilization of water resources	The recycling rate of circulating water in each plant exceeds 98%, with the highest exceeding 99%.

Management System and Structure

Risun has established a multi-level water resources management structure with clear responsibilities and authorities. At the Group level, a dual leadership mechanism has been set up, with the Board of Directors' sustainability committee serving as the highest supervisory and decision-making body, and the "Water Use and Conservation Working Leadership Group", led by the Group's chief executive officer (CEO), acting as the executive management layer. The Leadership Group is fully responsible for organizing, coordinating, advancing, and supervising the Group's water conservation initiatives. Its office is located within the Production Technology Department of the Group, with the department head concurrently serving as the water manager, overseeing the organization and implementation of water management activities. At the operational level, each base/company has established a water use and conservation working team led by its primary responsible person, along with designated water administrators, forming a vertical management network extending from the Group to bases/companies, and further down to workshops and teams. This structure ensures that water conservation strategies, goals, and measures are effectively communicated and implemented from top to bottom.

To standardize management, all companies within the Group have established and implemented a series of core systems, including the *Water Conservation Management System, Water Use and Conservation Management System*, and the *Energy Consumption Quota Management System*. These systems clearly define water resources management grading, quota-based assessment, recycling utilization, and penalties for violations, incorporating water consumption indicators into performance evaluations at all levels to establish a closed-loop management system.

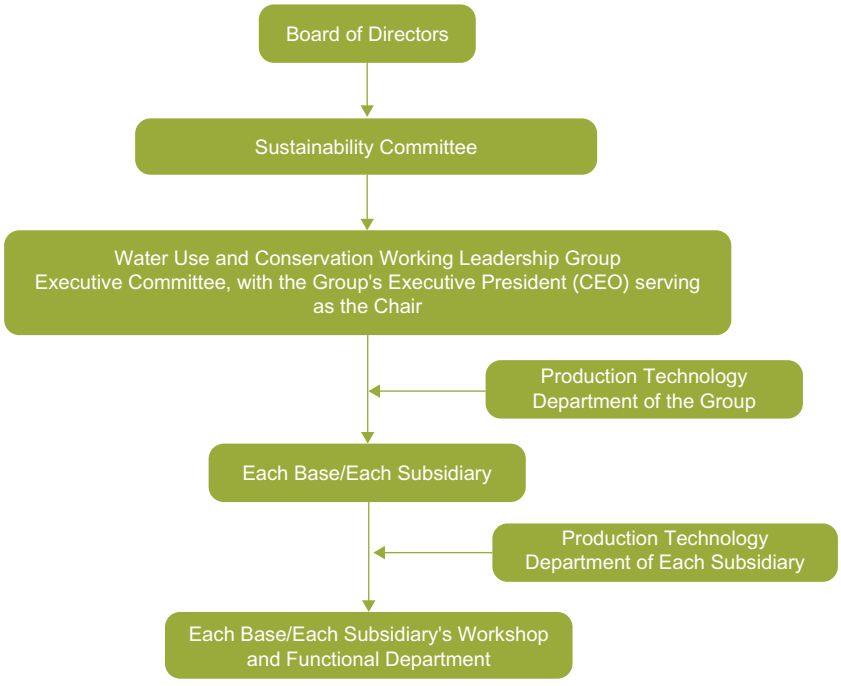


Figure 5-7 Group Water Resources Management Structure

V. Promote Green and Low-Carbon Development

Management Measures

The Group adheres to the strategy of "water conservation first, recycling, and compliance management", with the core objectives of reducing water consumption per unit of product and improving water recycling rates.

Process Control

- Strictly enforce the *Management Regulations for "Leakage and Spillage" at Production Sites*, and eliminate water resources waste through weekly inspections, notifications, and supervisory follow-ups.

Intelligent and Refined Management

- Construct an energy management center (MES system) to achieve real-time online monitoring and data analysis of water consumption across various production processes.

Figure 5-8 Water System Audit Organized by the Group's Laoting Base Using the "FLUXUS F60X" Online Flow Meter

- Adjust process parameters such as circulating water pressure and flow rate in a timely manner based on data feedback, identify water-saving potential, and implement precise control measures.

Water-Saving Technology

- Electrochemical scale removal in circulating cooling water: Removes water hardness and bacteria through electrode reactions, reduces chemical dosage, increases system concentration ratio from 2 to over 4, and significantly reduces makeup and blowdown water volumes.
- Precision filtration technology: Advanced equipment such as high-speed microfiltration filters replaces traditional quartz sand filters to reduce turbidity in circulating water and minimize backwash water consumption.
- CDQ water-saving retrofit: Implement technical upgrades such as the injection of waste nitrogen to reduce system water consumption, achieving significant water and energy savings.

V. Promote Green and Low-Carbon Development

Wastewater Recycling and Resource Recovery	• Advanced wastewater treatment and reuse: Treating production wastewater using integrated processes such as “Fenton oxidation + ultrafiltration + reverse osmosis”, with the produced water recycled back into the production system to achieve efficient wastewater recovery. • Resource recovery and zero discharge of brine: Treating high-salinity wastewater through an “ultrafiltration + nanofiltration + evaporation crystallization” process to achieve near-zero wastewater discharge and salt resource recovery. • Full recovery of steam condensate: Install steam condensate recovery units in various facilities to reuse the recovered high-quality condensate water for boiler feedwater or makeup water in the circulating water system. • Wastewater stripping and recovery: Strip the process wastewater containing ammonia nitrogen and methanol, then purify and recover it into the circulating water system. • Deaerator exhaust steam recovery: Install an exhaust steam recovery system to utilize waste heat for raising the temperature of makeup water, achieving dual recovery of thermal energy and water resources.
Alternative Water Source Utilization	• Alternative water sources: Actively introduce and expand the use of non-conventional water sources, such as reclaimed water and deeply treated effluent from on-site wastewater treatment, in industrial processes to increase their substitution rate and reduce freshwater withdrawal. • The substitution ratio of alternative water sources in industrial water use is significant, with some production sites achieving a substitution rate of over 48%.
Regional Water Conservation	• Preferentially use circulating water system blowdown as makeup water for the fire protection water system. • The production effluent is used for the water seal troughs on the coke oven tops or for green space irrigation within the plant area, enabling hierarchical and multiple utilization of water resources. • Toilet flushing water in living areas, raw coal humidification water, etc., have been changed from fresh water to using drainage from the circulating water system, reducing the consumption of high-quality water resources.
Specialized Training	• Attached great importance to cultivating and enhancing the employees’ awareness of water conservation, and continuously carried out thematic promotional activities such as “World Water Day” and “China Water Week”, widely disseminating water-saving culture in various forms, and fostering a strong internal atmosphere within the Group for cherishing water resources and practicing water conservation.

V. Promote Green and Low-Carbon Development

Case

Risun China Gas Honored as Hohhot's First Batch of Municipal Water-Saving Enterprises for 2025

The Hohhot Municipal Bureau of Industry and Information Technology and the Hohhot Municipal Taxation Bureau jointly issued the "Notice on the Announcement of the List of Hohhot Municipal Water-Saving Enterprises and Parks for the First Batch of 2025". Hohhot Risun China Gas Energy Co., Ltd. of the Group has been approved as one of the first batch of municipal water-saving enterprises in Hohhot for 2025.

Risun China Gas has consistently adhered to the water management principle of "priority to water conservation", conscientiously implementing the municipal government's requirements regarding industrial water saving and emission reduction, and advancing the development of water-efficient enterprises. Through the implementation of a series of water resources management and water-saving measures, the company has strengthened the employees' strong awareness and high level of initiative in saving water. It has enhanced the production departments' proactive efforts and professional capabilities in reducing freshwater use, increasing the utilization of recycled water, and minimizing wastewater discharge to the greatest extent. The company has innovated water-saving technologies and improved water-saving facilities, achieving multi-use of water and water recycling. The construction and operation of the concentrated brine evaporation and crystallization unit have realized zero discharge from the water system, as well as the minimization, detoxification, and resource recovery of wastewater to the greatest extent possible, continuously improving the efficiency of water resources management.

Figure 5-9 Risun China Gas Water Resource Control Equipment

Water Risk Management

For production bases located in water-scarce regions, the Group has identified water supply security risks arising from regional water shortages, uneven precipitation, and restrictions on water withdrawal permits. To address this, Risun has developed a targeted water risk management plan: establishing a water risk early-warning mechanism; enhancing water use resilience through process optimization and "multi-use of water"; and implementing measures such as diversifying water supply sources, constructing emergency water storage facilities, and establishing a coordinated water quality monitoring mechanism with water suppliers, to ensure stable production water supply and reduce potential disruption risks.

During the reporting period, the Group had a total of six manufacturing plants located in water-stressed regions, accounting for 54.5% of the total number of plants, with a combined net freshwater consumption of 20.5362 million cubic meters.

Table 5-4 Water Consumption Performance for 2023-2025

Indicators	Unit	2025	2024	2023
Total freshwater consumption	ten thousand tons	3,688.78	2529.67	4,178.71
Freshwater consumption intensity	tons/RMB 10 thousand	9.02	5.28	9.88
Total freshwater consumption	ten thousand tons	2,866.44	1,884.88	3,487.48
Freshwater consumption intensity	tons/RMB 10 thousand	7.01	3.93	8.24
Proportion of regions subject to high baseline water pressure	%	0	12.50	12.50
Proportion of regions subject to extremely high baseline water pressure	%	100	87.50	87.50

3. Green Ecology

The Group places great importance on ecological conservation, strictly abides by national environmental protection laws and regulations, and is committed to balancing economic development with ecological preservation throughout its operational lifecycle. It systematically conducts environmental monitoring, soil management, groundwater protection, biodiversity conservation, and forest resource stewardship to build a harmonious and symbiotic green ecological system.

Management System and Structure

The Group and its subsidiaries strictly comply with laws and regulations such as the *Soil and Water Conservation Law of the People's Republic of China*, the *Soil Pollution Prevention Law of the People's Republic of China*, and the *Land Management Law*, as well as relevant regulations issued by local governments where operations are conducted. Meanwhile, the Group has established a clear *Biodiversity Policy and No Deforestation Commitment*. In addition, the Group has built a solid top-level design and institutional foundation for green ecological management, integrating it into the company's ESG strategy and the dual carbon goals framework, and establishing a three-tier management structure of "Board of Directors oversight – Sustainability Committee coordination – operational companies implementation", ensuring that ecological protection objectives, mechanisms, and assessment criteria are clearly defined.

Environmental Monitoring

The Group has established a digital environmental monitoring system, creating a fully automated, closed-loop management system covering the entire process of "exceedance early warning, intelligent identification, instruction issuance, precise control, and effectiveness evaluation". This system not only enables real-time monitoring and intelligent regulation of key emission indicators such as sulfur dioxide, nitrogen oxides, and total particulate matter emissions, ensuring that emission concentrations remain stably below ultra-low emission standards by more than 20%, but also fully complies with the performance standards required by the World Bank and the International Finance Corporation's "Equator Principles".

On this basis, the Group has achieved 100% compliance & risk management in the treatment and comprehensive utilization of solid waste, 100% recycling of coking production wastewater, and full coverage of zero-liquid discharge technology, establishing a leading position in the industry for comprehensive pollutant control and resource recycling.

Third-party Monitoring	• Data collection and analysis for all environmental monitoring points of the Group are entrusted to qualified third-party professional agencies. • Monitoring data is disclosed in real time to the employees and the general public, and simultaneously synchronized to the environmental regulatory authority's supervision platform, establishing a comprehensive joint prevention and control mechanism featuring full staff participation, all-round coverage, end-to-end traceability, and round-the-clock monitoring, ensuring that all emission indicators remain consistently stable and compliant with standards.
Equipping Advanced Monitoring Devices	• Each manufacturing site is equipped with advanced monitoring devices, all of which are connected to a real-time network to ensure efficient and accurate environmental monitoring.

V. Promote Green and Low-Carbon Development

Soil Conservation

Establish a Soil Monitoring Mechanism	Regularly conduct inspections for potential soil pollution hazards and entrust third-party institutions for testing, with a focus on monitoring indicators such as heavy metals and organic compounds. By identifying risks and ensuring soil quality compliance, timely preventive and remedial measures can be taken to prevent pollutants from entering the soil.
Implement Zonal Management	Divide the plant area into different functional zones such as production and storage areas, and implement focused protective measures in areas with higher potential contamination risks, such as chemical storage areas, including the installation of anti-seepage layers.
Strengthen Chemical Management	Standardize the storage and use of chemicals to prevent leakage incidents, and install facilities such as spill containment pallets and dikes to prevent chemicals from directly contacting the soil.
Promote Green Production Processes	Adopt low-pollution or pollution-free production processes to reduce the use and emission of hazardous substances, thereby minimizing the risk of soil contamination at the source.

Case

Soil Conservation Measures at the Group's Dingzhou Base

1. Coal Yard Full Enclosure Project

The company has two fully enclosed coal storage yards constructed with steel truss and color-coated steel sheet structures, with fully hardened ground surfaces to ensure enclosed coal storage throughout. Fixed dust-suppressing fogging systems and remote-controlled mist cannons are installed within the coal yard, and mobile fog cannons are mounted on stacker-reclaimers, forming a three-dimensional dust suppression system to effectively control dust during operations and storage. The truck unloading area is equipped with baghouse dust collectors and mist cannon spray systems, and all coal and coke are stored in enclosed silos, comprehensively suppressing fugitive emissions.

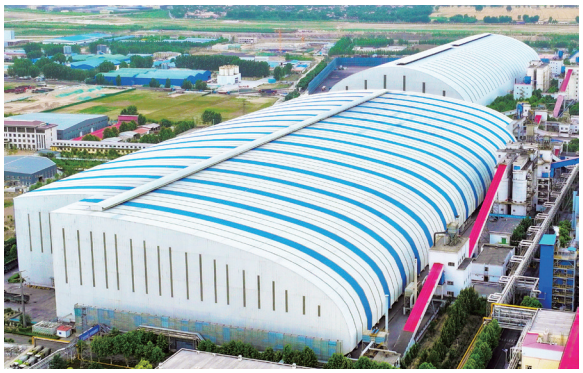


Figure 5-10 Fully Enclosed Coal Yard

2. Ash Conveying Project Using Vacuum Tanker Trucks

Dust and desulfurization ash generated from the coking and material workshops are stored in closed silos, and transported via closed vacuum tank trucks, ensuring no dust emission during loading, unloading, or transportation.

Figure 5-11 Vacuum Tanker Truck

Case

3. Belt Secondary Enclosure Project

Bulk and sticky wet materials such as coal and coke are conveyed via enclosed belt corridors, with secondary sealing applied to coal and coke conveyor belts to ensure that materials are not visible during transportation and that fumes and dust are effectively collected. Dust collection hoods and dust removal facilities are installed at all material transfer drop points, ensuring no visible dust at the site.

Figure 5-12 Belt Conveying

4. New Car Washing Station Project at Coal Yard

An automatic vehicle washing station is installed at the exit of the enclosed coal storage yard. Utilizing photoelectric induction technology, advanced photoelectric equipment automatically detects the distance between the vehicle and the equipment, enabling automatic barrier lifting and achieving comprehensive, high-pressure, and precise washing for all outgoing vehicles. High-definition cameras are installed for remote monitoring to ensure vehicles leave the facility in a clean condition. The washing station is equipped with a clean water tank and a sedimentation tank to enable reuse of water resources.

Figure 5-13 Car Washing Station

V. Promote Green and Low-Carbon Development

Groundwater Protection

Implement Source-based Prevention and Control	• Construct impermeable facilities in potential pollution areas such as tank farms and wastewater treatment facilities to prevent pollutants from infiltrating into the ground. • Collect and store production and maintenance waste liquids and waste oils in compliance with regulations, using dedicated containers and designated storage areas equipped with spill and rain protection measures, managed by designated personnel to prevent material from flowing on the ground or entering the stormwater system.
Integrated Water Resources Management	• Optimize the operation of wastewater treatment facilities to ensure compliance with discharge standards for all types of wastewater, and implement pretreatment for high-concentration wastewater. • Construct stormwater collection and treatment systems simultaneously to prevent surface runoff from carrying pollutants within the plant area, and comprehensively manage water environmental risks.
Improve the Emergency Response Mechanism	• Develop specialized emergency response plans for potential groundwater pollution incidents and conduct regular drills to ensure the capability for rapid response and efficient handling of sudden environmental events.

Biodiversity and Zero Deforestation

Risun officially released the *Biodiversity Policy and Zero Deforestation Commitment*, integrating biodiversity conservation and zero deforestation goals throughout the entire process from strategic planning to supply chain management.

Risk Identification and Assessment Process	• For new projects, it is mandatory to conduct biodiversity impact assessments and deforestation risk evaluations concurrently during the initial phase. • For existing operational sites, relevant risks are regularly reviewed, especially for sites adjacent to forested areas or ecologically sensitive zones, where an additional "ecological buffer zone + forest protection" dual strategy is required to systematically identify, assess, and manage potential impacts.
Compliance and Risk Management	• Commit to strictly comply with regulations on biodiversity conservation and forest resource management, and refrain from carrying out construction projects in ecologically sensitive protected areas. • Minimize the potential adverse impacts of industrial activities on ecosystems, species, and genetic resources

Zero Deforestation Control and Management	• Advancing zero deforestation in our operations and supply chain • Explicitly prohibit the procurement of raw materials associated with deforestation, and incorporate biodiversity conservation requirements into supplier onboarding and audit systems.
Ecological Restoration and Conservation	• Develop and implement ecological restoration plans for degraded areas to address potential ecological impacts from operations. • When the occupation of forest land is indeed necessary, we commit to strictly fulfilling compensation obligations in accordance with regulations, ensuring that regional ecological functions are not diminished through measures such as afforestation in alternative locations.
Education and Training	• The Group actively promotes internal and external collaboration, partnering with specialized institutions to develop protection technologies, and conducts biodiversity and zero-deforestation training for the employees, suppliers, and partners to enhance awareness across the full-industry-chain layout.
Transparent Disclosure	• Transparently disclose progress and achievements in biodiversity conservation and zero deforestation goals through channels such as the annual ESG report, and accept public oversight.

(III) Environmental Management

Risun has established a comprehensive environmental management system covering strategic decision-making, institutional development, and implementation supervision. The Group fully complies with national environmental regulations and actively benchmarks against higher industry standards, achieving international standardization of environmental management through ISO 14001 certification. A closed-loop management process has been implemented, spanning target setting, process monitoring, and performance evaluation with continuous improvement. Specialized environmental protection measures are enforced in key operations such as construction, coke production, and chemical manufacturing. Through technological innovation and day-to-day controls, the Group continuously reduces the environmental impact of its operations, systematically fulfilling its responsibility for green development.

1. Environmental Management System

A well-established management system enables enterprises to systematically identify, assess, and control environmental risks, ensuring effective implementation and continuous improvement of environmental protection policies and measures. To this end, the Group has established a clear management structure spanning from strategic decision-making to production execution, and has developed a comprehensive documentation system covering the entire environmental management process. As of the reporting period end, 11 production units within the Group have obtained ISO 14001 environmental management system (EMS) certification, achieving a 100% certification coverage rate. This marks that the Group's environmental management has fully entered an internationally standardized and systematic track.

V. Promote Green and Low-Carbon Development

Table 5-5 Certification Status of the Environmental Management System

Xingtai Risun Chemical Certified

CNC Risun Certified

Environmental Management System
GB/T24001-2016
ISO14001:2015

Xingtai Risun Coal Chemical Certified

Jinniu Risun Certified

Tangshan Risun Chemical Certified

V. Promote Green and Low-Carbon Development

Yuncheng Risun Certified

Hebei Risun Certified

Dingzhou Tianlu Certified

Cangzhou Risun Certified

Risun China Gas Certified

Dongming Risun Certified

V. Promote Green and Low-Carbon Development

Environmental Management Framework

Each subsidiary within the Group has established a comprehensive environmental management structure covering all levels from top-level decision-making to frontline implementation, ensuring clear environmental responsibilities and efficient management, thereby fully promoting the implementation of environmental initiatives.

Management Tier	Environmental Protection Committee	• Provides comprehensive leadership for corporate environmental governance and is responsible for resolving critical environmental governance matters.
	General Manager	• Holds ultimate accountability for Risun's environmental management system.
	Department/Workshop Heads	• Bear overall responsibility for environmental compliance within their respective operational jurisdictions.
Oversight Tier	Environmental Protection Supervision Department	• Daily operations of the company's environmental management, overseeing environmental activities across the entire company
Implementation Tier	Production Unit Managers	• Directly accountable for environmental protection within their units. Each production unit generating pollutants establishes an Environmental Protection Task Force, with full-time/part-time environmental officers designated for operational management.

Environmental Management System

To systematically fulfill its environmental protection responsibilities, the Group has established a comprehensive legal compliance and internal control system. The Group strictly adheres to national and local core laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law*, the *Air Pollution Prevention Law of the People's Republic of China*, the *Water Pollution Prevention Law of the People's Republic of China*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Soil Pollution Prevention Law of the People's Republic of China*, and the *Regulations on the Administration of Pollutant Discharge Permits*. Meanwhile, the Group actively benchmarks against the Ultra-low Emission Standards for Air Pollutants in the Coking Chemical Industry, as well as higher-tier industry norms and local standards issued by the governments of the regions where it operates, striving to achieve outstanding environmental performance beyond compliance.

To fully translate external regulatory requirements into executable and assessable internal actions, the Group has established and improved a series of internal systems and management measures, including the *Environmental Protection Management System*, the *Environmental Protection Responsibility System*, the *Environmental Protection Assessment Details*, the *Environmental Monitoring Management Measures*, and the *Online Monitoring System Management Measures*, comprehensively covering all aspects of environmental management and effectively ensuring the standardized and systematic advancement of the Group's environmental management work.

2. Environmental Management Measures

Risun implements refined management of dust, exhaust gas, wastewater, and soil pollution in key processes such as construction, coke, and chemical production through specialized systems and measures. Meanwhile, relying on its environmental protection research institute, the Group promotes technological innovation and continuously enhances environmental risk prevention capabilities and environmental performance through regular audits, emergency drills, and development and training for all employees. By the end of 2025, the Group's cumulative environmental investment reached RMB9.592 billion, with RMB525 million invested during the reporting period. These investments have effectively translated into environmental benefits and long-term development momentum, achieving a comprehensive return of RMB1.008 billion during the reporting period.

V. Promote Green and Low-Carbon Development

Environmental Issue Monitoring Process

To ensure the strict implementation and continuous improvement of the environmental management system, the Group has established a supervision and evaluation process with a clear hierarchy and well-defined responsibilities and authorities.

Planning and Preparation	• Under the leadership of the Environmental Protection Committee, annual environmental objectives are established, and departments are organized to identify and update significant environmental aspects. • In accordance with the aforementioned objectives and risks, guide each production unit and responsible department in formulating specific environmental management plans and protective measures.
Execution and Inspection	• The Environmental Protection Supervision Department takes the lead, jointly conducting daily environmental supervision and inspection of the production process with business departments such as production, equipment, and technology, and regularly verifying the implementation of environmental protection records, systems, and plans.
Assessment and Management	• After identifying accident hazards or non-compliance items during inspections, the environmental protection supervision department shall issue clear corrective actions and deadlines to the responsible units. • The responsible units shall complete the rectification within the specified period and submit the rectification completion receipt to the environmental protection supervision department.
Acceptance and Penalties	• The Environmental Protection Supervision Department or the designated department conducts a re-inspection and acceptance of the rectification results to ensure that the issues are closed-loop. • For behaviors that fail acceptance inspection or involve violations, the environmental protection supervision department shall carry out corresponding accountability and penalty procedures in accordance with regulations.
Assessment and Improvement	• The Environmental Protection Supervision Department coordinates on a monthly basis, conducts evaluation and assessment of environmental responsibility systems for each production workshop based on supporting data provided by various business departments, and implements performance scoring and ranking. • Link assessment results to performance-based rewards and penalties, and feed them back into the next management cycle to drive the continuous optimization and improvement of the environmental management system.

V. Promote Green and Low-Carbon Development

Environmental Protection Measures in Operation Process

Construction Process

- Policy Implementation: The company has established specialized regulations such as the *Dust Management Guidelines for Construction Sites* and the *Environmental Control Standards for Construction Sites*, assigning environmental responsibilities to specific departments and personnel, and ensuring compliance through a rigorous evaluation system.
- Policy Implementation: Strictly enforce the "Six 100%" standards and implement clean and civilized construction practices
- Supervision and Pollution Prevention:
  - During the project establishment phase, strictly implement the environmental impact assessment system to ensure that environmental protection facilities are designed, constructed, and put into operation simultaneously with the main project.
  - Conduct regular inspections of the contractor's construction site, promptly stop and correct any violations or risky work practices identified, and strengthen environmental protection education and outreach for construction personnel to enhance environmental awareness across the board.
  - Strictly implement the separation management of stormwater and wastewater, prevent wastewater, chemicals, or solid waste from entering the stormwater drainage system, and ensure no pollution to surrounding water bodies.

Coke Production Process

- Construct fully enclosed coal storage facilities, use enclosed silos and secondary enclosed belt corridors to achieve "material transportation without exposed materials", and equip with highly efficient dust suppression and dust removal systems to control dust emissions at the source.
- Upgrade the flue gas desulfurization system and precisely control desulfurizer dosing through intelligent interlocking to ensure sulfur dioxide emission concentrations consistently meet ultra-low emissions standards.
- Comprehensive process control effectively reduces environmental impacts on surrounding soil and atmosphere

Chemical Production Process

- Regularly conduct leak detection and repair (LDAR), and collect VOC emissions through closed systems introduced into a negative pressure system to comprehensively control odors and fugitive emissions.
- Strictly implement stormwater and sewage separation, carry out classified treatment and reuse of wastewater, and achieve wastewater resource recovery through the sulfur-containing waste liquid to acid production project.
- Establish a regular monitoring system for soil and groundwater, strengthen daily environmental inspections and hazard identification, systematically prevent and control pollution risks, and effectively protect surrounding soil, water resources, and the ecological environment.

Case

The Group's Xingtai Base Achieved Ultra-Low Emissions Throughout the Entire Process

As one of the first pilot units in the country to complete ultra-low emissions transformation across the entire coking process, and the first enterprise in Hebei Province to pass public verification, the Xingtai Base of the Group adheres to the principles of "efficient resource utilization, clean production processes, and people-oriented ecological development". It has implemented nearly 100 environmental protection projects, 40 of which feature technologies pioneered in China, achieving on-site management standards of "using coal without seeing coal, producing coke without seeing coke". The company has received over 200 honors, including national-level green park, green factory, and energy efficiency leader, with all equipment meeting or surpassing national safety and environmental standards and energy conservation and environmental protection metrics ranking at the forefront of the industry.

In accordance with national and local policy requirements, the ultra-low emissions retrofitting projects across other Group bases are progressing steadily. Among them, several bases – including the Dingzhou Base, Yuncheng Base, and Hohhot Base in Inner Mongolia – are scheduled to complete their retrofitting tasks by 2026. The Group plans to achieve ultra-low emissions standards across all its bases by 2028.

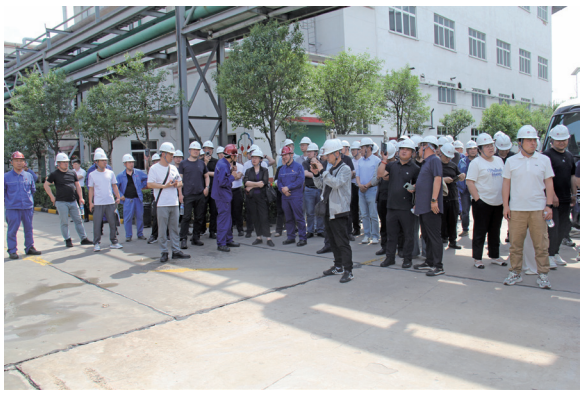


Figure 5-14 Visit to the Group's Xingtai Base

V. Promote Green and Low-Carbon Development

Establish an Environmental Protection Research Institute

The Group's Environmental Research Institute is committed to leading the development and innovation of environmental protection technologies within the Group. The institute focuses on studying national and local environmental policies, developing new technologies to address environmental bottlenecks, and systematically advancing the optimization and upgrading of environmental facilities. Meanwhile, it actively engages in forward-looking technical collaborations with external organizations, providing professional technical support and consulting services internally. The institute also emphasizes the development and training of environmental professionals and actively organizes applications for government science and technology awards and intellectual property rights, offering comprehensive support in building a robust environmental technology platform for the Group.

Mild Wet Oxidation	• Successfully completed the commissioning and operation of the industrial demonstration plant for 2-Amino-2-methyl-1-propanol wastewater treatment, with COD removal efficiency stably maintained above 70%, and a significant improvement in the biodegradability of the oxidized wastewater. • The wastewater treatment unit of Risun CNC has completed equipment installation and catalyst loading. • Through pilot-scale experiments, the treatment cost per ton of 2-Amino-2-methyl-1-propanol wastewater and nanofiltration concentrate at the Dingzhou Base has been reduced.
Development of High Efficiency Defluorination Agent	• A series of fluoride-removal reagents have been developed to meet the water quality requirements of different bases within the Group, and production-scale testing has been completed at the dingzhou base, yuncheng base, and dongming base. • The Group's Yuncheng Base successfully implemented the self-developed defluorination aid, achieving a reduction in water treatment costs. • The Group conducted systematic screening tests on 13 fluoride removal agents at the dongming base, developing a fluoride removal additive that can reduce the amount of liquid alkali required for pH adjustment.
Research on Alkali Production Process Using Industrial Waste Salt	• Successfully prepared national standard sodium carbonate, sodium bicarbonate, and ammonium sulfate using waste salt sodium sulfate and ammonium bicarbonate. • Completed process parameter optimization, phase diagram plotting, Aspen Plus full-process simulation, and key equipment selection, forming a complete engineering technical solution.
Recycling of Calcium-based Desulfurization Ash	• Successfully prepared ammonium sulfate product meeting fertilizer standards. • Determine the optimal conditions for the calcination of calcium carbonate to convert it into calcium hydroxide. • Exploring the process pathway for preparing calcium carbonate into columnar desulfurization agents.
Forward-looking Technology Field	• Completed carbon policy analysis, CCUS research, and preliminary preparations for product carbon footprint certification; submitted 1 invention patent and 2 utility model patents throughout the year. • Conducting active exploration in areas such as superhydrophobic nano-ceramic coatings, all-ion exchange desalination processes, new bio-based routes for adipic acid production, and synthetic biology.

V. Promote Green and Low-Carbon Development

Daily Management

Emergency Response Drill for Unexpected Incidents	• Developed the *Emergency Drill Plan for Sudden Environmental Incidents* and organized drill activities for the employees in accordance with the plan, aiming to enhance the employees' responsiveness to emergencies. During the reporting period, each subsidiary conducted diversified emergency drills according to their production characteristics, including fires caused by ethylene leakage of hazardous chemicals, catalyst fires in caprolactam workshop hazardous waste storage, liquid ammonia leakage, leakage during the transfer of waste titanium-silicon molecular sieve, fire and leakage of liquid ammonia in the ammonia product tank area, and potassium hydroxide splashing incidents.
Enhancing the Employees' Environmental Awareness	• To enhance the employees' awareness and practical capabilities regarding energy conservation and environmental protection, regular environmental training and promotional activities are organized, covering various aspects such as environmental laws and regulations, hazardous waste management, equipment management, production processes, and process indicators at emission points. During the reporting period, a total of 38 energy-saving and environmental protection training sessions were conducted, with 6,480 participants in total.
Environmental Issues Internal and External Audit	• Established a dual audit mechanism of monthly environmental rating and hazard identification, providing institutional support for continuous compliance and risk management and performance improvement in environmental management. • The monthly assessment covers six dimensions, including pollutant emissions, facility operations, and unorganized emissions, aiming to identify shortcomings and promote improvements. • Hazard identification shall be conducted at least once a week, with all identified hazards registered, tracked, and rectified within specified timeframes. For major hazards, senior executives are responsible for developing special plans that clearly define objectives, measures, resources, and timelines to ensure closed-loop risk management.

Case

Emergency Drill for On-Site Response to Desulfurization Liquid Leakage Accident at the Chemical Production Workshop for the Group's Yuncheng Base

The drill simulates an emergency scenario in which the desulfurization accident tank leaks due to bottom corrosion. The procedure includes: patrol inspection detecting the leak, group initiating early warning, and the command team issuing instructions; the emergency response team wearing protective gear to perform plugging operations, the medical team standing by for rescue, and the evacuation and security team establishing a hazardous zone and guiding personnel evacuation. The incident is controlled through operations such as closing valves, lowering liquid level, sealing the leak with wooden plugs, diverting the leaked liquid to a lower-position tank for recovery. Finally, environmental monitoring and site cleanup are conducted, followed by an evaluation and summary to continuously improve the emergency response plan and handling procedures.

Figure 5-15 Emergency Drill Site at the Group's Yuncheng Base

V. Promote Green and Low-Carbon Development

Case

The Group's Cangzhou Base Held a Fire Safety Skills Competition

To enhance all staff and officers' understanding of various firefighting equipment, strengthen their knowledge and skills in fire safety, and further improve their abilities for self-rescue and mutual assistance, a fire safety skills competition for the employees was organized on June 25, 2025. Through events such as water shooting target practice and drills involving the use of fire extinguishers while wearing air respirators, the competition aimed to improve the employees' proficiency in operating firefighting equipment.

Figure 5-16 Firefighting Skills Competition Event Site

Case

The Group's Xingtai Base Hosted an "Environmental Public Open Day" Event

On June 13, 2025, the Group's Xingtai Base held the 2025 "Environmental Public Open Day" event, which combined explanatory presentations, on-site tours, and immersive experiences to showcase its practices as a benchmark for intrinsic environmental protection and green and low-carbon development. The event aimed to promote a collaborative environmental communication model involving enterprises, society, and the public, foster a positive atmosphere of widespread concern, support, and active participation in environmental protection, and further safeguard stakeholders' rights to information, participation, and supervision regarding corporate ecological and environmental protection efforts. It also sought to encourage greater public awareness of environmental responsibilities and rally broader wisdom and strength to advance green and low-carbon development.

Figure 5-17 Launch Ceremony of the Event

Figure 5-18 Explaining the Development and Construction of Automation, Informatization, Digitization, and Intelligence

(IV) Pollutant and Waste Management

The Group has established a comprehensive, fine-grained management system covering wastewater, exhaust gas, solid waste, and hazardous waste, ensuring all emissions meet or exceed national and local standards, while actively promoting green production practices. Based on the Group's development plan and local as well as national laws and regulations, pollutant and waste management objectives have been established. By implementing advanced processes such as deep reuse of wastewater, efficient treatment of exhaust gas, and resource utilization of solid waste, and by leveraging digital monitoring and routine management, we have systematically achieved source reduction, compliant disposal, and the full accomplishment of the five-year goals (2021-2025), which have not been revised. During the reporting period, the Group was not involved in any environmental litigation cases resulting from violations of emission regulations.

	Pollutant and Waste Management Target (2021-2025)	Target Achievement Status
Sewage	• Coking Sector: Further advance deep wastewater treatment, with a sewage recycling rate of over 80%.	Achieved
	• Chemical Sector: Promote the application of zero liquid discharge technology, conduct water balance testing, and comprehensively optimize water resource allocation.	Achieved
Exhaust Gas and Particulate Matter	• SO_2, NOx, and pollutant emission concentrations such as particulate matter are below 20% of the ultra-low emissions standards set by the province where the base is located. • Bases located in provinces without ultra-low emissions standards are 20% below the national ultra-low emissions standards.	Achieved
General Solid Waste	• Ensure 100% compliant disposal or comprehensive utilization of solid waste.	Achieved

1. Wastewater Management

Management System

Risun strictly complies with external regulatory requirements such as the national *Comprehensive Discharge Standard for Wastewater* (GB8978), internalizing them into specific control regulations. Each operational unit develops and implements internal management systems such as the *Wastewater Control Implementation Measures* and the *Wastewater Discharge Management Regulations* in accordance with local environmental protection requirements and park admission standards, clearly defining management responsibilities, discharge standards, and operational procedures to ensure the legality and compliance of wastewater management.

Compliance Discharge

We ensure that all discharged wastewater meets the requirements of the *Comprehensive Wastewater Discharge Standards* and complies with the inlet water quality criteria of the local economic development zone's wastewater treatment plant. For certain specific wastewater streams, the Group adopts a method of entrusting professional wastewater treatment plants within the industrial park to achieve centralized and specialized wastewater treatment.

Management Measures

The Group strictly implements its self-monitoring program, regularly testing wastewater discharge points, dynamic and static sealing points, and consistently conducting on-site environmental inspections to prevent leaks, promptly eliminate environmental hazards, and ensure water environment safety.

V. Promote Green and Low-Carbon Development

Processing Technology

Comprehensive Wastewater Treatment	• Combined process of "coagulation + A_2/O_2 + coagulation sedimentation".
Special Wastewater Pretreatment	• Acidic wastewater generated from the benzene hydrogenation unit: a dedicated pretreatment "acid stripper + ammonia stripper" sour water stripping unit shall be constructed to remove pollutants such as ammonia nitrogen. • Glycerol refining wastewater: After collection, it is sent to the park's wastewater treatment plant for disposal and resource recovery.
Water Reuse	• Apply advanced wastewater treatment and reuse technology to further treat a portion of the treated effluent and concentrate brine for salt recovery, recycling it back into the production system, thereby reducing freshwater intake and achieving "zero discharge" of coking wastewater.

2. Waste Gas Management

Management System

To ensure full compliance with exhaust gas emissions and continuous improvement of regional air quality, we have established an exhaust gas management system guided by national standards as the baseline and industry ultra-low emissions and environmental performance Class A benchmarks as the direction. The company strictly complies with national and local mandatory standards such as the *Comprehensive Emission Standards for Air Pollutants*, the *Standards for Unorganized Emissions Control of Volatile Organic Compounds*, and the *Ultra-low Emission Standards for Air Pollutants in Coking Chemical Industry*. To internalize and implement external requirements, each operating unit has developed internal regulations such as the *Exhaust Gas Emission Management Procedures* and the *VOCs Equipment and Pipeline Leak Detection and Repair (LDAR) Management Procedures*, clearly defining full-process management responsibilities from source control and process treatment to end-of-pipe monitoring, ensuring the systematic and standardized nature of exhaust gas management.

Compliance Discharge

The Group is committed to ensuring that pollutant concentrations at all organized exhaust emission points remain stably compliant. By installing automatic monitoring equipment connected to environmental authorities, key indicators such as sulfur dioxide, nitrogen oxides, total particulate matter emissions, and volatile organic compounds are monitored in real time, with data made publicly transparent. All emissions meet the applicable standard limits specified in the *Emission Standards for Pollutants from Petrochemical Industry* and the *Emission Standards for Malodorous Pollutants*, and the Group actively benchmarks against the more stringent ultra-low emissions and Environmental Performance Class A standards.

Management Measures

Unorganized Emission Control	• Implement full enclosure of coal yards and coke yards, and secondary enclosure of material conveying belt corridors. • Dust removal ash is transported by closed vacuum tank trucks, and coal and coke are stored in silos. • An automatic car washing station is installed at the factory exit to ensure vehicles leave in a clean condition.
Leak Detection and Repair (LDAR)	• Conduct regular leak detection on equipment and pipeline components of all chemical plants, and promptly repair any leaks identified.
On-site Inspection and Hazard Identification	• Special on-site improvement campaign for "Three No's and Two Visible" (no odor, no dust, no leakage). • Establish a mechanism for environmental protection management personnel to conduct weekly on-post inspections, specialized checks, and hazard identification every ten days, to dynamically supervise the control of coke oven dust and chemical odors.

Processing Technology	
Process Organic Exhaust Gas	• Phthalic anhydride, chemical industry, and chemical by-product off-gas: VOCs are converted into CO_2, nitrogen oxides, and H_2O through combustion and catalytic oxidation processes. • Hazardous waste storage area, sewage treatment station: Adsorption Concentration + Catalytic Combustion.
Combustion Flue Gas	• Hydrogenation furnace: SCR selective catalytic reduction • Coke ovens, boilers: High-efficiency denitrification and desulfurization systems.
Exhaust Gas from Storage and Transportation Processes	• Recovery of vapors from benzene, styrene, etc.: "Condensation + Adsorption + Catalytic Degradation" enables resource recovery of hydrocarbon components and compliant emission of tail gas.
Malodorous Gas	• Multi-stage purification treatment of "alkali washing + adsorption + catalytic oxidation".
Resource-based Governance	• Sulfuric acid production from desulfurization waste liquid.

3. General Solid Waste Management

Management System

The Group strictly complies with national laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and adheres to the principles of "reduction, resource utilization, and harmless treatment" to implement full-process closed-loop management for all solid waste. To effectively implement regulatory requirements, each operating unit has established and enforced internal systems such as the *Solid Waste Management System* and the *General Solid Waste Management Regulations*, clearly defining management responsibilities and operational procedures for every stage – from waste generation, classification, temporary storage, transfer, to final disposal or utilization – ensuring compliant solid waste management and controllable environmental risks.

Compliance Discharge

The Group implements classified management of solid waste based on its characteristics. For industrial solid waste with recycling value, resource recovery is prioritized through methods such as process blending (e.g., blending coal dust, coke dust, and tar residue into coking coal) or comprehensive in-plant utilization (e.g., producing acid from desulfurization waste liquid, reusing waste acid). For general industrial solid waste, household waste, and construction waste that cannot be utilized internally, compliant transportation and harmless treatment are strictly carried out by professional organizations with appropriate qualifications and processing capabilities, in accordance with regulatory requirements. All hazardous waste is entrusted to qualified entities holding hazardous waste operation permits for safe disposal, ensuring 100% legal and compliant transfer and treatment, and eliminating environmental emission risks.

V. Promote Green and Low-Carbon Development

Management Measures

Ledger Management	• Each workshop and department generating waste shall establish a management ledger for industrial solid waste to achieve full-process recording and traceability from waste generation to disposal.
Classification and Temporary Storage	• Implement classification of solid waste, establish dedicated temporary storage warehouses, and prohibit the mixing of industrial solid waste with household garbage. • Waste shall be placed at designated locations within the facility, with measures taken to prevent scattering, loss, and leakage.
Responsibility Implementation	• Clarify the primary responsibility of each workshop and department for solid waste management within their respective areas, and the responsibility of construction units for the removal and disposal of construction waste.
Supervision and Evaluation	• Each department conducts daily supervision and periodic evaluations on the implementation of the solid waste management system.

4. Hazardous Waste Management

Management Policy

The Group strictly complies with national laws and regulations such as the *Law of the People's Republic of China on the Prevention* and the *Control of Environmental Pollution by Solid Waste and the Pollution Control Standard for Hazardous Waste Incineration*, implementing strict full lifecycle control over hazardous waste. To this end, each operating unit has established and implemented core internal systems including the *Management System for Hazardous Waste* and the *Responsibility System for Hazardous Waste Pollution Prevention and Control*, clearly defining management responsibilities and procedures. All units are required to prepare an *Annual Hazardous Waste Management Plan* approved by the local ecological environment bureau each year. By internalizing external regulations into a systematic management framework, Risun ensures that every stage of hazardous waste management – from source reduction and classified collection to standardized storage, safe transportation, and final disposal – is legal, compliant, safe, and under control.

Compliance Discharge

The Group implements a classified management strategy for all hazardous waste, prioritizing resource recovery and ensuring safe disposal. For hazardous waste with recycling value and technical feasibility, such as tar sludge, acid tar, spent activated carbon, and sludge, priority is given to resource recovery through in-plant processes (e.g., blending into coking coal, tar recovery, converting desulfurization waste liquid into acid, and reusing waste acid). For other hazardous waste that cannot be utilized within the plant, including spent catalysts, waste mineral oil, laboratory waste liquids, waste paint cans, and waste lead-acid batteries, strict compliance with the national *Hazardous Waste Transfer Manifest Management Measures* is maintained. These wastes are fully entrusted to qualified entities holding the corresponding categories of the *Hazardous Waste Operation License* for safe disposal, ensuring all hazardous waste receives legal and compliant end-of-life treatment and achieving closed-loop management.

V. Promote Green and Low-Carbon Development

Management Measures

Source Reduction	• Optimize the production process to improve raw material utilization and product yield. • Strictly control process and equipment operation to extend the lifespan of catalysts and other consumables, and reduce the generation of waste lubricating oil and waste liquids.
Full-process Standardized Management	• Construct a standardized temporary storage facility for hazardous waste, implement measures for seepage prevention, leakage prevention, and fire protection, and carry out classified storage. • Establish a hazardous waste management ledger to accurately record information on generation, storage, utilization, and disposal. • Strengthen on-site management of hazardous waste generation, storage, and transportation to prevent leakage risks.
Planning and Supervision	• Develop an annual hazardous waste management plan and allocate it to each waste-generating workshop for implementation. • Each department is responsible for supervision and inspection to ensure the implementation of relevant systems.

V. Promote Green and Low-Carbon Development

5. Performance of Pollutant and Waste Management

Table 5-6 Group Pollutant and Waste Management Performance for 2023-2025

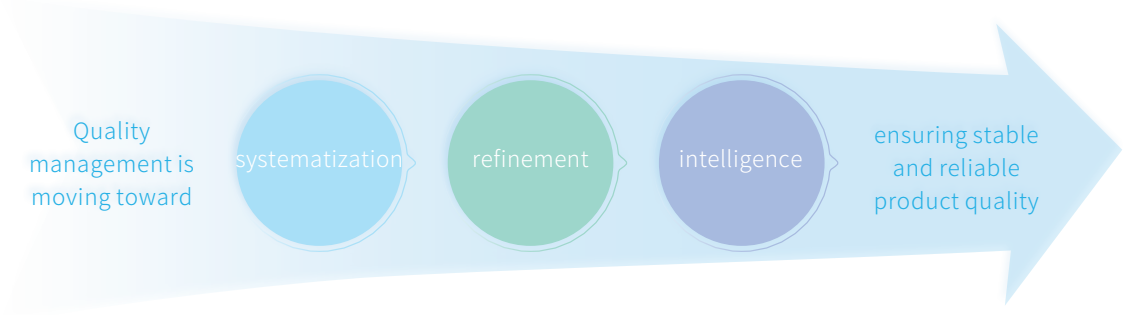
Types of Emissions	Unit	2025	2024	2023
Total SO_2 emissions	ton	678.12	617.84	497.06
SO_2 emission intensity	kg/RMB 10 thousand	0.17	0.13	0.12
SO_2 emission density increase/decrease	Percentage	28.70	9.68	–
Average SO_2 emission density over the past three years	kg/RMB 10 thousand		0.14	
Total NO_X emissions	ton	1,576.78	1,621.84	1,256.29
NO_X emission density	kg/RMB 10 thousand	0.39	0.34	0.30
NO_X emission density increase/decrease	Percentage	14.00	13.92	–
Average NO_X emission density over the past three years	kg/RMB 10 thousand		0.34	
Total particle emissions	ton	154.38	175.18	191.10
Particle emission density	kg/RMB 10 thousand	0.04	0.04	0.05
Particulate matter emission density increase/decrease	Percentage	3.34	-19.11	–
Average particulate matter emission density over the past three years	kg/RMB 10 thousand		0.04	
Total VOC emissions	ton	84.12	–	–
VOC emission density	kg/RMB 10 thousand	0.02	–	–
Total COD discharge	ton	398.33	467.98	545.78
Total ammonia nitrogen discharge	ton	8.94	16.22	17.03
Total sewage discharge	ton	9,003,981.26	6,730,520.41	6,697,847.94
Sewage discharge density	tons/RMB 10 thousand	2.20	1.40	1.58
Sewage discharge density increase/decrease	Percentage	56.87	-11.33	–
Average sewage discharge density over the past three years	tons/RMB 10 thousand		1.71	
Amount of hazardous waste	ton	133,474.04	334,997.99	332,969.52
Production density of hazardous wastes	tons/RMB 10 thousand	0.03	0.07	0.08
Treatment rate of hazardous waste	Percentage	100	100	100
Non-hazardous waste production	ton	1,031,241.74	748,195.51	555,385.12
Production density of non-hazardous wastes	tons/RMB 10 thousand	0.25	0.16	0.13
Treatment rate of non-hazardous waste	Percentage	100	100	100

06

Commit to **Quality Excellence**

VI. Commit to Quality Excellence

Quality is the foundation of a company's survival and, more importantly, the lifeline of Risun Group. The Group adheres to the quality policy of "All-In Engagement, Customer-Centricity, Continuous Innovation, and Pursuit of Excellence," continuously improving the full-chain quality management system covering raw material procurement, production process control, finished product inspection, and after-sales service. In 2025, the Group further strengthened system construction, technological upgrading, and digital empowerment, advancing quality management across all bases toward greater systematization, refinement, and intelligence, ensuring stable and reliable product quality and fully meeting and exceeding customer and regulatory requirements.



(I) Guarantee Product Quality

1. The Systematic Quality Management System

Risun continuously improves product and service quality through customized production characterized by "factory-to-factory, door-to-door, and furnace-to-furnace" processes, establishing a comprehensive and efficient quality control system. All critical quality control points are accurately identified throughout the entire process. Raw material and product quality testing, data collection, and transmission are fully automated, enabling full traceability of quality control. As a result, product quality remains consistently stable over the long term, maintaining an industry-leading level.

The Group and its subsidiaries strictly comply with national laws and regulations such as the *Product Quality Law of the People's Republic of China*, and continuously advance the standardization and systematization of the quality management system in accordance with the requirements of the GB/T 19001-2016/ISO 9001:2015 quality management system standard. Based on its actual conditions, the Group has formulated and improved a series of full-chain quality management systems, including *Key Quality Control Points* and *Internal Product Quality Control Standards*, to enhance production stability, strengthen quality control at the source, and promote the upgrading of products to higher-end levels. This ensures that every stage – from raw material procurement and production processes to product dispatch – meets quality standards, enabling product quality to exceed the criteria for premium-grade products as specified in national standards.

Table 6-1 Certification Status of the Quality Management System

Xingtai Risun Coal Chemical Certified

CNC Risun Certified

Quality management system
GB/T19001-2016
ISO9001:2015

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Xingtai Risun Chemical Certified

Jinniu Risun Certified

Tangshan Risun Chemical Certified

Yuncheng Risun Certified

Hebei Risun Certified

Dingzhou Tianlu Certified

Cangzhou Risun Certified

Risun China Gas Certified

Dongming Risun Certified

Figure 6-1 Quality Management System Certificate

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2. Digital Lean Management and Control

To guarantee product quality accuracy and traceability, the Group continues to advance laboratory capability building and digital management, spanning the entire process from smart R&D to digital traceability, achieving lean control. By integrating production data through the MES system, refined control and full-process traceability are realized. The combination of CNAS-accredited laboratories and the LIMS system ensures "batch-by-batch testing" from raw materials to finished products, with all inspection data collected in real time and tamper-proof, enabling digital quality control of all elements – personnel, equipment, materials, methods, and environment – and providing solid support for lifelong product traceability. Meanwhile, the Group implements a dual mechanism of "machine sampling plus manual spot checks," utilizing advanced testing equipment for real-time monitoring at critical points to ensure quality issues can be pinpointed and responsibilities traced. In 2025, the annual ex-factory pass rate of coke and major chemical products remained stable at over 99.9%, with no customer safety or environmental incidents or public recalls caused by product quality issues.

The Group enforces a "zero tolerance" policy for non-conforming products and has established a closed-loop mechanism for identification, review, disposition, and improvement. Each batch of raw materials is inspected upon arrival, and non-conforming materials are generally rejected. Process deviations are promptly corrected with root cause analysis. Non-conforming finished products undergo joint review by multiple departments and are subject to rework, downgrading, or scrapping; reworked products must pass re-inspection before release. In the event of issues identified after delivery, customer concerns are addressed immediately with benchmarking verification. If a quality issue is confirmed, root cause analysis is conducted and corrective actions are implemented to ensure the problem does not recur.

3. Deepen Full Participation

Quality is the responsibility of all staff. The Group fosters an atmosphere of full participation through activities such as "Quality Month" and "Quality Lecture Hall," promoting deep-rooted quality awareness. By implementing the *Monthly Quality Award Management Measures*, the achievement of quality objectives is linked to departmental performance, motivating employees to actively engage in quality improvement.

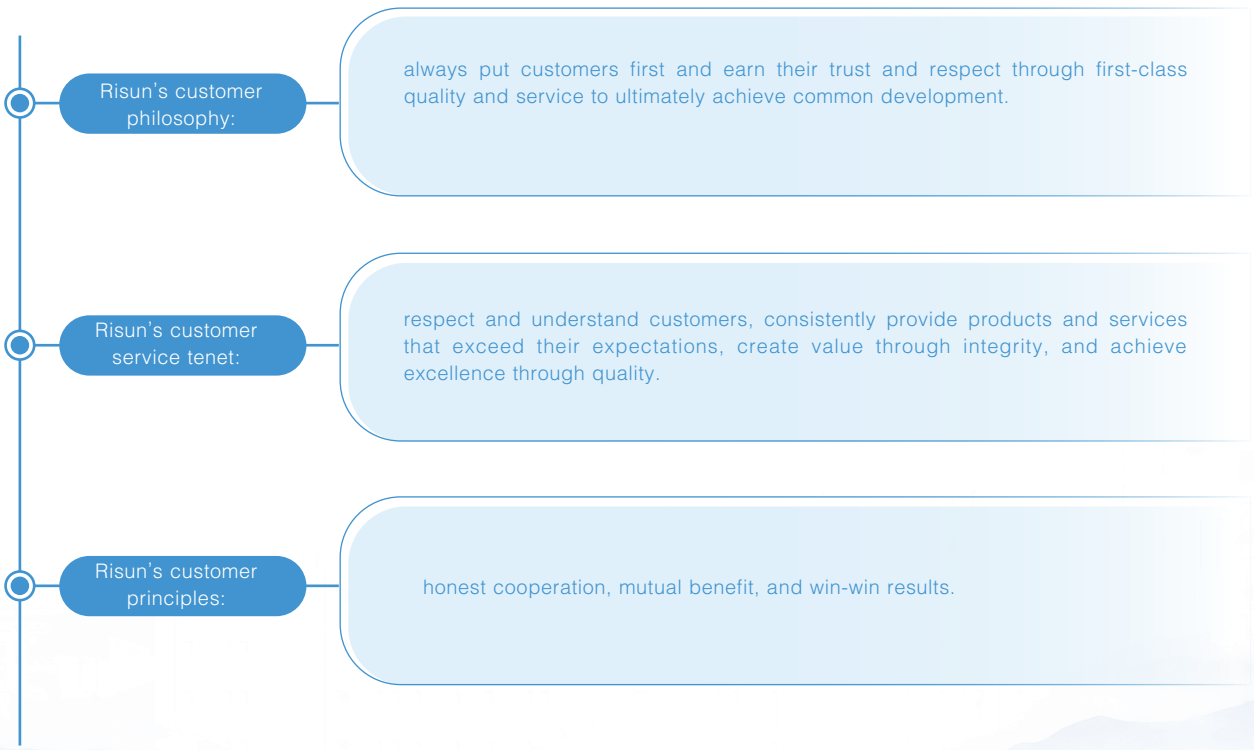
In the future, the Group will continue to deepen digital transformation, advancing quality management from compliance-driven to preventive and predictive intelligent models, delivering superior product quality to better serve customers.

(II) Quality Customer Service

Risun adheres to the philosophy of "customer-centricity and value creation for customers", and fully fulfills its responsibilities to customers by relying on its scale advantages, quality products and professional services. The Group's total quality management model always takes customer needs as the core focus, regards meeting customer requirements as the primary standard, and runs through the entire process of product development, manufacturing, supply and delivery, and after-sales service to ensure that every link meets customer expectations.

In terms of laws and regulations, the Group strictly abides by the *Consumer Rights and Interests Protection Law of the People's Republic of China* and other relevant laws and regulations. It has integrated and optimized its original mechanisms and issued a new version of the *Customer Management and Communication System*, which clarifies customer classification management standards, establishes a sound customer feedback mechanism, and conducts regular customer satisfaction surveys to promptly identify customer needs and make corresponding adjustments. Meanwhile, the Group also focuses on after-sales service, optimizes product mix, improves service quality and management mechanisms based on customer needs, and establishes a service-oriented marketing mechanism. It provides full-life-cycle solutions featuring pre-sales technical coordination, in-sales collaboration and post-sales rapid response, effectively enhancing customer satisfaction and brand reputation.

During the reporting period, the Group had no customer complaints, and product quality and customer satisfaction remained at a sound level.



VI. Commit to Quality Excellence

Customer Segmentation

The Group scores and classifies business customers through a scientific customer evaluation system, and dynamically adjusts business strategies based on classification results to optimize customer structure and ensure stable business development. Customers are divided into four categories: strategic customers, key customers, market customers and phased-out customers. Differentiated management is implemented for different levels in terms of resource allocation, visit frequency and cooperation depth, so as to ensure the in-depth development of high-value customers and effective control of high-risk customers.

Customer Communication

A five-level communication mechanism covering senior management, middle management to frontline staff has been established to match the job levels of both parties, improving communication efficiency and information symmetry. Customer interactions are flexibly carried out through on-site visits, telephone calls, emails and other means. Communication covers product quality and application, customer business dynamics, market information feedback and service improvement suggestions. Special visits are proactively arranged during major holidays or when significant events occur to either the customer or the Group, strengthening relationship maintenance and strategic coordination.

Customer Relationship

Complete archives have been established for customers with years of transaction history, including customer name, cooperation status, credit status and relationship with the Group, forming a dual-track management system of "Customer Files" and "Customer Status List". The archives are kept by designated personnel, updated in a timely manner when information changes, and only accessible with authorized approval, ensuring the integrity, security and traceability of customer information.

Customer Information Protection

The Group attaches great importance to the protection of customer information, strictly abides by the *Personal Information Protection Law of the People's Republic of China*, safeguards the security of customers' business information and personal information, and standardizes confidentiality practices. Every employee signs a confidentiality agreement upon entry, undertaking the obligation to keep customer data confidential.

Customer Feedback

The Group regularly collects customer opinions by distributing Customer Satisfaction Questionnaires. Survey results are classified and resolved according to customer satisfaction levels or causes of dissatisfaction. All results are collected and filed for follow-up inspection on resolution outcomes. A follow-up tracking mechanism is established for the implementation of major opinions and suggestions, with written reports prepared and filed for record.

Customer Complaint

A sound customer complaint management system has been established to improve complaint response efficiency and handling quality. All customer complaints are accepted in a unified manner and assigned according to the nature of the complaint. Complaints are divided into non-quality issues (human factors) and quality issues. Responsibility is clearly defined during handling, corrective and preventive measures are formulated, and rectification is supervised and implemented. Records are filed after complaint handling. Meanwhile, improvement plans are formulated based on the causes of complaints to prevent recurrence of similar issues, protecting brand image and customer trust.

(III) Information Security Protection

1. Improving the Information Security System

The Group has appointed an Information Security Architect to fully advance the development of technical systems and strategy implementation. Focusing on "architecture coordination, risk prevention and control, technology empowerment, and compliance implementation", the role leads the top-level design and iterative upgrade of the information security architecture, oversees technical control of core risks, coordinates security tool deployment and cross-departmental collaboration, and ensures all compliance requirements are effectively implemented at the technical level, forming a vertically connected governance closed loop with clear responsibilities.

2. Enhancing Information Security Policies

The Group continuously improves its information security policies. In line with technological developments, regulatory requirements and business needs, it conducts at least one assessment for information security system optimization each year. In 2025, the Group invested over RMB 5 million in upgrading Next-Generation Firewalls (NGFW), deploying Web Application Firewalls (WAF), iterating data encryption technologies and building security operation capabilities, steadily enhancing technical protection capacity.

For data integrity protection, the Group has formulated and implemented the Risun Group Data Backup and Recovery Management System. Supported by professional backup tools and a redundant storage architecture, it has established a backup system featuring "tiered backup + offsite disaster recovery + regular verification", ensuring critical data can be quickly restored under hardware failures, virus attacks, operational errors or other abnormal conditions to safeguard business continuity.

In data classification and tiered governance, the Group has categorized and graded its data assets, completing tag-based management of sensitive assets including core business data and personal information, laying the foundation for targeted protection. For core R&D data assets, additional file encryption control tools have been adopted to enforce encryption on sensitive files such as codes and design documents. Access is restricted to authorized terminals only, preventing unauthorized disclosure of R&D data via USB drives, emails and other channels. No core R&D data leakage incidents occurred during the year.

For information security threat monitoring, dedicated staff are on duty 24/7 to monitor network attacks, virus intrusions and abnormal access in real time through intrusion prevention systems, Web application firewalls and other tools. The Information Security Incident Emergency Response Plan has been established to clarify threat classification standards and response procedures, ensuring timely detection and rapid disposal of security incidents.

To strengthen employee accountability, the Group combines institutional constraints, technical tools and training to enhance the information security awareness of all staff. By the end of 2025, the coverage rate of security tool deployment on employees' office computers and the virus database update rate both reached 100%. No major data leakage or virus attack incidents caused by employee negligence occurred during the year.

In third-party management, the Group includes information security clauses in agreements with suppliers and partners, specifying their security obligations in data processing, access control and other areas. It requires certification of information security credentials (such as ISO 27001 certification) and adopts measures including rectification within a time limit or termination of cooperation for non-compliant parties, effectively controlling supply chain security risks.

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3. Deepening Information Security Management

The Group has formulated and implemented a full-chain information security management plan to promote standardized and routine security operations. For core business systems including treasury, logistics and finance, dedicated business continuity plans have been developed to clarify emergency recovery procedures and resource support mechanisms. One tabletop exercise and one actual combat drill are conducted each year to ensure core system downtime does not exceed 4 hours and data recovery integrity reaches 100%.

A routine vulnerability management mechanism has also been established. Regular scans of IT infrastructure and application systems are carried out using professional tools to generate risk lists and implement tiered rectification. The vulnerability remediation rate reached no less than 95% in 2025. For incident management, a three-level reporting mechanism "frontline staff → information security administrator → system person-in-charge" has been set up with clear response time limits and a hotline for rapid notification, ensuring "every case is recorded and every issue is responded to", supported by an incentive mechanism to encourage proactive reporting.

For security awareness promotion, the Group held multiple offline training sessions focusing on typical scenarios including phishing email identification, weak password risks and social engineering prevention, covering more than 100 employees, effectively reducing security risks caused by human factors.

In addition, the Group engaged a third-party institution to conduct two special external audits, focusing on key information security controls such as network protection strategies, database security and system permission configuration of business systems, to ensure compliance with ISO 27001 standards and laws and regulations including the *Cybersecurity Law* and the *Data Security Law*. All 2025 audit results were compliant with no major non-conformities, proving the effective operation of the information security management system.

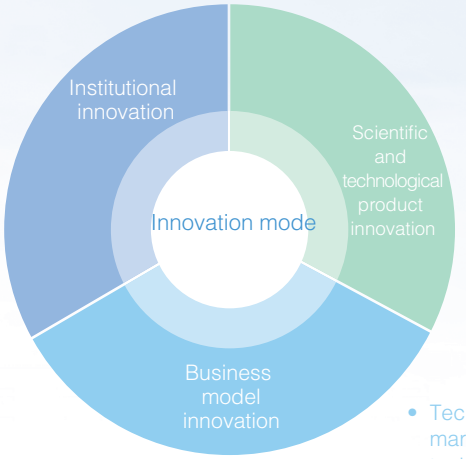
In 2025, the Group experienced no major information security incidents, no customer data leakage, no system interruptions, and no economic losses caused by cybersecurity issues. The overall security posture remained stable and controllable.

(IV) Technological Innovation and R&D

Risun adheres to innovation-driven development and regards technological innovation as a key support for improving product quality and core competitiveness. The Group continuously improves its technological innovation management system. Relying on a three-level linked R&D and innovation system: "Group Chief Engineer and Group Production Technology Department – Engineering Technology Research Centers / Technology Innovation Centers at each Base – Production Technology Departments of each production company", it integrates R&D resources and forms an R&D and innovation system covering two major areas: "development of new products, new processes and new technologies" and "continuous optimization and upgrading of existing facilities". It has achieved a number of technological breakthroughs in coke preparation, new chemical materials and other fields, accelerating the transformation of scientific research achievements and strongly supporting product quality improvement and sustainable development.

On this basis, the Group has built a full-chain R&D path covering idea incubation, lab testing, pilot testing, industrialization and engineering design, promoting the deep integration of technology and production, and comprehensively improving unit efficiency, production performance and customer service capabilities. Meanwhile, the Group attaches great importance to intellectual property protection, strengthens patent layout and achievement management, and effectively safeguards the security of core technical assets.

- Three-level R&D innovation mechanism: Group – each park engineering center – each production company



- Focus on exploring the potential of existing devices, upgrading products, extending high value-added industrial chain, and realizing circular economy
- Technology to guide the market, market feedback technology, technology market combined with continuous upgrading and iteration of new products

1. Improving the Technological Innovation Management System

In 2025, the Group continued to improve its full-chain technological innovation management system, established a management mechanism with clear responsibilities, standardized processes and effective incentives, and consolidated the strategic foundation of "invigorating the enterprise through science and technology". It revised and implemented the *Group Technological Innovation Project Management System*, clarifying responsibilities in R&D project approval, process control, acceptance and evaluation, so as to realize standardized and closed-loop management of technological innovation. At the same time, it formulated and optimized supporting systems such as the *Measures for the Administration of Patented Technologies and Proprietary Technologies* and the *Provisions on the Administration of Minor Technical Innovations*, standardized grass-roots technical improvement processes, and formed an innovation management network featuring vertical linkage and collaborative promotion.

To stimulate the innovation vitality of all employees, the Group improved a diversified incentive mechanism, implemented policies including the *Technological Innovation Reward Management System* and the *Measures for Scientific and Technological Honor Awards (Trial)*, and formulated special achievement transformation incentive measures to provide substantial incentives to teams and individuals that obtained patents, proprietary technologies and scientific and technological honors. Meanwhile, the Group strengthened the development of the R&D organization system, set up Base R&D offices and company-level full-time R&D departments to coordinate and promote key technical research. Through measures such as the *Scientific and Technical Personnel Training and Further Study System* and the *High-End Talent Introduction System*, the Group continued to introduce high-level talents, strengthened the construction of an innovation echelon, and provided solid support for sustainable development.

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2. Strengthening Intellectual Property Protection

The Group attaches great importance to intellectual property rights and continuously improves full life cycle management from application and maintenance to application. It has formulated special systems such as the *Intellectual Property Management System* and the *Measures for the Administration of Patented Technologies and Proprietary Technologies*, clarifying the procedures for patent application, ownership definition, maintenance management and accountability. All patents are applied for through the Group's unified channels and approved online via OA to ensure standardized and traceable processes.

Technical data is managed by levels, and the archive borrowing approval system is strictly implemented. Patent ownership is clearly agreed upon in technical cooperation and contracted development to prevent ownership risks. It is strictly forbidden to apply for service inventions in the name of non-service inventions, and violators will be held legally responsible. The confidentiality obligations of employees are strengthened, and a punishment mechanism for information leakage is established. In 2025, the Group achieved fruitful patent results, with many new authorized patents. Among them, the invention patents A Method for Synthesizing Flame-Retardant Nylon 6 by In-Situ Polymerization and Flame-Retardant Nylon 6 Prepared Thereby and A Coal Blending and Coking Method for High-Quality Coke and High-Quality Coke were successfully developed and granted national authorization. Utility model patents such as A Split Block for Pressure Sealing of Large-Diameter Flanges, A Reaction Kettle, A Heat Exchange Tube and Oleum Acid Cooler, A Caprolactam Ion Exchange Dehydration and Regeneration System and A Material Mixing Equipment have been authorized by the State Patent Office. In addition, invention patents such as A Method and System for Impurity Removal and Purification of Caprolactam Heavy Residue Liquid, A Modified Nylon 6 Material and Its Preparation Method and Application, and A Coal Blending and Coking Method for 6.78-Meter Stamp Charged Coke Ovens have entered the substantive examination stage.

3. Deepening Industry-University-Research Cooperation and Innovation

The Group adheres to open innovation and continuously promotes the "enterprise + university + research institute" collaborative mechanism to accelerate technological iteration and achievement transformation. In conjunction with Tsinghua University, Beijing University of Chemical Technology, Central South University, Hollysys Cayubei Technology Co., Ltd., Shanxi Institute of Coal Chemistry, Chinese Academy of Sciences and other institutions, the Group launched the project "Key Technologies and Equipment Development of Full Closed-Loop Control System in Coal Conversion Process", aiming to break through key technical bottlenecks in refined management and control in the coal chemical industry, promote the green and efficient development of the coal chemical industry, and help the country build an independent, controllable, safe and new energy system. The Key Technologies for Clean Production of Caprolactam, completed in cooperation with Qingdao University of Science and Technology, innovatively constructed an efficient medium and a three-in-one reaction system of dissolution-catalysis-polymerization inhibition, breaking through the technical barriers of traditional processes, providing a green and low-carbon solution for large-scale clean production of caprolactam, and effectively promoting industrial technological progress and sustainable development. The Group cooperated with China University of Mining and Technology (Beijing) in the research on alkali production technology from industrial waste salt; cooperated with Changchun Institute of Applied Chemistry in the pilot technology development of melt index controllable syndiotactic polystyrene; and deepened the research on nylon elastomer spinning performance evaluation with Donghua University. Meanwhile, in conjunction with industrial chain partners, the Group conducted research on molecular distillation technology for impurity removal from caprolactam heavy residue liquid to promote high-value utilization of by-products.

Figure 6-1 Key Technologies for Clean Production of Caprolactam

Industry-university cooperation has been extended to talent training. The Group signed a strategic cooperation agreement with Inner Mongolia University of Science and Technology to promote the "Risun Class" order-based training program. It has established long-term cooperative relations with Xingtai University, Hebei Institute of Mechanical and Electrical Technology and other institutions, forming a benign interactive mechanism in joint technical research, achievement transformation and talent cultivation.

Case

Co-constructing a Provincial Platform with Shandong University to Break Through "Bottleneck" Technologies

The Group's Yuncheng Base, together with Shandong University, built the "Shandong Provincial Technology Innovation Center for Colloidal Materials", which was approved by the Department of Science and Technology of Shandong Province. This marks a crucial step for Risun in industry-university-research cooperation in the field of new materials, achieving a breakthrough from enterprise-level technical needs to a provincial-level innovation platform.

Focusing on technical bottlenecks in the high-performance composite material industry, the innovation Center has a full-chain layout around "process optimization – equipment upgrading – product innovation", and is committed to building a regional innovation hub covering "idea – lab testing – pilot testing – engineering design – industrialization". Its core goal is to tackle the "bottleneck" technologies in the fields of hexamethylenediamine preparation and new nylon materials, promote the efficient transformation of basic research achievements into industrialization, and further improve Risun's polyamide new material industry chain.

The approval not only demonstrates Risun's technical strength and industrial influence in the field of new material R&D, but also achieved a "zero breakthrough" of provincial-level technology innovation centers in Yuncheng County. In the future, both parties will improve the operation mechanism in accordance with the *Measures for the Administration of Shandong Provincial Technology Innovation Centers*, gather high-level scientific research teams, and systematically carry out key technical research, providing solid technical support for the high-quality development of Risun's new materials sector and helping the chemical industry of Shandong Province to continuously upgrade toward high-end, green and independent development.

Figure 6-2 Shandong Provincial Technology Innovation Center for Colloidal Materials

VI. Commit to Quality Excellence

4. Innovative Technological Breakthroughs and Achievements

The Group insists on applying research to practice, accelerating the transformation of scientific and technological achievements into real productive forces. Many innovative achievements have been widely used in production practice, significantly improving product quality, operation efficiency and resource utilization, and promoting the enterprise's development toward high-quality, green and intelligent development.

- **Major breakthrough in high-end new material R&D:**

  The whole process of the polyolefin new material pilot process was successfully opened at one time, and qualified POE products were successfully produced, overcoming key technical problems that have long plagued the industry, such as localization of core equipment, low catalyst activity and poor devolatilization effect.

- **Milestone progress in the development and industrialization of green 2-Amino-2-methyl-1-propanol preparation technology:**

  In July 2025, the Group's self-developed 5,000 t/a 2-Amino-2-methyl-1-propanol unit was successfully started up at Dingzhou Base. As the first set of domestic industrial amino alcohol unit with independent intellectual property rights, it has broken foreign monopoly and filled domestic gaps, making Risun the world's second enterprise to realize industrialized production of amino alcohol. The project was developed by a doctoral team over ten years, pioneering a new green synthesis process and forming a technical system supported by 15 patents. It has been selected as a "Hebei Provincial Doctoral Innovation Station Construction Project". Pilot products have been stably sold to many countries including China, the United States, India, the Netherlands, Italy, Japan and South Korea, gaining high market recognition. In the future, the Group will continue to promote catalyst iteration, process optimization and production increase to reduce costs, improve efficiency and develop differentiated products, laying a solid foundation for larger-scale industrialization.

- **Continuous optimization and upgrading of coke preparation technology:**

  A Coal Blending and Coking Method for High-Quality Coke and High-Quality Coke significantly improves the coke strength after reaction (CSR) and thermal performance on the basis of ensuring cold strength by optimizing coal blending structure and process control, meeting the stringent requirements of large blast furnaces for high-quality metallurgical coke. The "technical research on the application of anthracite in stamp charging coal blending" has greatly increased the proportion of anthracite in coal blending, reduced dependence on high-quality coking coal and effectively controlled coal blending costs. Through theoretical calculation, laboratory test and computer simulation, the coal blending structure was optimized, and the application proportion of lean coal was increased to 30% on the premise of ensuring quality, significantly reducing raw material costs. A prediction model of coke thermal reaction strength was constructed. Based on coal characteristics and blending ratio, a mathematical model was established using data analysis methods to screen and verify the optimal coal blending scheme that can significantly improve CSR value, realizing precise control of coke quality.

- **Intelligent equipment upgrade empowers essential improvement:**

  A Grating Automatic Inspection System for Coke Oven Exchange Equipment realizes unmanned and high-precision inspection of key equipment, improving operation safety and stability. An Automatic Matching Device for Stamp Charging Hammer and Feeder optimizes the coal charging process and improves coal charging density and uniformity. The self-developed primary metallurgical coke auxiliary discharge system adopts a buffer slope and double-sided buffer ramp structure, which effectively reduces the coke charging drop, lowers the coke breakage rate, eliminates spillage and vehicle rolling, and improves shipping efficiency and product quality, achieving an additional sales income of RMB 6.19 million in 2025.

- **In-depth application of environmental protection and resource recycling technology:**

  A Device for Recycling Purge Gas to Optimize Methanol Output realizes the recovery and reuse of purge gas, improving methanol yield and reducing exhaust emissions. A Conveying Pipeline for Effectively Isolating Residual Coal Gas reduces unorganized emissions. A Circulating Purification Device for Coke Oven Water Seal Water realizes the recycling of water resources in the plant. A Wastewater Temperature Control System Before Entering the Biochemical Aeration Tank optimizes biochemical treatment efficiency and improves the wastewater compliance rate. A Negative Pressure Coal Gas Pipeline Cleaning Device focuses on system cleaning and maintenance to ensure environmentally friendly operation of the whole process.

Figure 6-3 Polyolefin New Materials

At present, the Group has 3 provincial-level engineering technology research centers, 4 provincial-level technology innovation centers, 1 provincial-level key laboratory, 6 provincial-level enterprise technology centers, 6 provincial-level new R&D institutions, 6 national-level certified testing centers, as well as post-doctoral research stations and other R&D platforms. It has achieved 47 national, provincial and municipal technological innovation achievements, including 7 provincial science and technology progress awards and 11 municipal science and technology progress awards, and won 321 provincial and municipal scientific and technological honors.

During the reporting period, the Group had a R&D team of 296 members, with R&D investment of RMB 165.85 million, accounting for 0.42% of the sales revenue in the same period. No disputes, claims or lawsuits related to intellectual property and brand protection occurred during the year.

VI. Commit to Quality Excellence

Multiple technical achievements

571 proprietary technologies

Product quality, production operation technology, equipment transformation technology, energy saving and environmental protection, safety technology, automation technology, process improvement technology

419 patents

Alcohols, aromatics, carbon materials, coking, others

Copyright 14 items

Data platform and algorithm

Awards

Figure 6-4 Hebei Provincial Scientific and Technological Achievement Certificate

- Key Technologies for Clean Production of Caprolactam won the Special Prize of the 2025 Science and Technology Award of the Shandong Society of Chemistry and Chemical Industry.
- The municipal science and technology project Research and Application of Resource Utilization Technology of Phenol Residue successfully passed acceptance and obtained the Hebei Provincial Scientific and Technological Achievement Certificate.

07

United Efforts for Industrial Prosperity

VII. United Efforts for Industrial Prosperity

(I) Industry Empowerment

1. Operational Management Services Boosting Industrial Development

As the world's largest independent coke producer and supplier, Risun has proactively deployed its operational management service business since 2014. Drawing on 30 years of profound experience in coking and fine chemicals, the Group has systematically integrated its distinctive cost-reduction and efficiency-improvement models covering sales, transportation, production, supply and R&D. It has continuously standardized, modularized and replicated its core capabilities in technology, management, digitalization, safety and environmental protection. By optimizing operational management services and advancing integration, M&A and other expansion initiatives, the Group has continuously enriched its service portfolio and upgraded service capacity. With the "Industry + Service" model at its core, the Group is committed to building a global supply chain system. Based on this model, the Group is fully advancing its strategic transformation from traditional manufacturing to service-oriented manufacturing. Its unique asset-light operational services empower the industry to upgrade ESG performance, assist peer enterprises in achieving the green transformation goal of "using coal without coal exposure and producing coke without coke exposure", and promote high-quality and sustainable development of the entire industry.

VII. United Efforts for Industrial Prosperity

Over the years, relying on its nine core competencies, nine competitive advantages and integrated operational management system accumulated through deep industry engagement, the Group has continuously empowered the industry by providing comprehensive operational management services to peers in need, helping to improve their production and operational efficiency. Risun's operational management services mainly take three forms: Operational management services for production technology; Integrated marketing operational management services; Full-scope operational management service model covering sales, transportation, production and supply. The three models are flexibly combined and customized on demand to meet the development stages and transformation needs of different partners, jointly forming Risun's distinctive asset-light expansion path and industry empowerment system. Operational management services cover overall entrusted management, integrated marketing, supply chain management, Base planning consultation, product line optimization, production technology upgrading, environmental and safety governance, digital system construction, financing support and other fields, covering the coking, chemical, new energy and other upstream and downstream industrial chains. Relying on advanced environmental treatment technologies, Risun can systematically deliver mature solutions in CDQ waste heat utilization, ultra-low flue gas emissions, zero wastewater discharge, solid waste resource utilization and other fields, helping partner enterprises achieve green and low-carbon operation and compliance. Meanwhile, through an integrated marketing system integrating brand, channels, customers and spot-futures linkage strategies, the Group achieves intensive sales network management and maximized returns, ensuring efficient product distribution and steady price improvement.

In 2025, Risun's operational management service business continued to expand rapidly, with significant growth in service scale and coverage. By the end of the year, the total scale of the Group's operational management services reached 7.08 million tonnes per annum, including 6.30 million tonnes per annum of coke and 780,000 tonnes per annum of chemical products. The service network extended to key regions including Inner Mongolia, Ningxia, Sichuan, Henan, Jiangsu, Shandong and Jilin, forming a nationwide multi-site layout with regional coordination.

By continuously exporting mature management systems and practical experience, Risun has not only completed its strategic transformation from a "cost- and efficiency-oriented" enterprise to a "service- and innovation-oriented" one, but also created incremental income through an asset-light model, providing replicable solutions for industry integration and resource optimization. In 2026, the Group has set a business scale target of 12.60 million tonnes per annum for operational management services, and will steadily increase the proportion of this business in the Group's total revenue, profit and asset structure to further optimize the overall business layout.

In the future, Risun will continue to be customer-centric and innovation-driven, deepen the export of key capabilities such as intelligent coal blending, digital operation and green low-carbon development, create value co-creation through services, help partners improve quality and efficiency, promote the coordinated upgrading of the coking industry chain, and inject sustained momentum into the sustainable development of the industry.

VII. United Efforts for Industrial Prosperity

Case

Risun Provides Operational Management Services to Jilin Dingyun Coking & LNG Project

On June 13, 2025, Risun signed an agreement with Jilin Dingyun New Energy Co., Ltd. to provide comprehensive operational management services for its 1.2 million tpa coking project and 100 million m^3/a LNG project. Risun dispatched a professional management and technical team to take full charge of Jilin Dingyun's production and operation management. Leveraging its strengths in cost control, R&D and innovation, digital intelligence, safety, environmental protection and risk management, Risun conducted in-depth diagnostics and provided feasible renovation plans in corporate management, safety assurance and environmental technologies, comprehensively improving asset operation efficiency and profitability. This cooperation marks Risun's 17th operational management service project and further deepens the Group's strategic layout in Northeast China. Both parties will achieve mutual benefit, win-win results and common development through complementary advantages.

Figure 7-1 Signing of Operational Management Service Agreement between Risun and Jilin Dingyun

Case

Risun Reaches Strategic Cooperation with Wulong Magnesium Industry

On December 24, 2025, Risun officially signed a package of cooperation agreements with Yuanqu County Wulong Magnesium Industry Co., Ltd., establishing a comprehensive strategic partnership. Risun will leverage its comprehensive advantages in coking production and operation, technology upgrading, market expansion and management optimization to achieve in-depth synergy with Wulong Magnesium Industry, helping the enterprise improve quality and efficiency and broaden development space. The cooperation not only represents a strong alliance, resource integration and complementary advantages, but also injects strong impetus into industrial agglomeration, regional industrial upgrading and high-quality development in Yuanqu County. This strategic cooperation marks the further extension of Risun's operational management services and industrial synergy model into coking and related industries, continuously expanding its industry empowerment landscape to achieve mutual benefit and common development.

Figure 7-2 Strategic Cooperation Reached between Risun and Wulong Magnesium Industry

2. Participating in Formulating National and Industrial Standards

Relying on its advantages as an industry leader, the Group has deeply participated in the formulation of a number of national standards, gathered industrial consensus with its leadership, promoted the optimization and improvement of technical standards, and empowered industrial technological upgrading and high-quality development.

National and Industry Standards (Partially) Formulated by Risun Group:

No.	Standard Name	Category	Standard number	Responsibility	Drafter	Publisher
1	Methyl Naphthalene Oil	National Standard	GB/T 24212-2025	Participated in drafting	Baowu Carbon Technology Co., Ltd., Xingtai Risun Coal Chemical Co., Ltd., Ansteel Group Beijing Research Institute Co., Ltd., Metallurgical Industry Information Standards Institute	State Administration for Market Regulation
2	Wash Oil – Determination of α-Methylnaphthalene and β-Methylnaphthalene Content – Gas Chromatography	Ferrous Metallurgy Industrial Standard	YB/T 6275-2024	Participated in drafting	Xingtai Risun Coal Chemical Co., Ltd.	Ministry of Industry and Information Technology of the People's Republic of China
3	Crude Benzene	Industrial Standard	YB/T 5022-2016	Main drafter	Hunan Valin Xiangtan Iron and Steel Co., Ltd., Risun Group Co., Ltd., Fujian Sansteel (Group) Co., Ltd., Metallurgical Industry Information Standards Institute	Ministry of Industry and Information Technology of the People's Republic of China
4	Coke Fines and Small-Sized Coke	Metallurgical Industrial Standard	YB/T 4138-2017	Presided over drafting	Xingtai Risun Technology Co., Ltd., Jiangsu Shagang Group Co., Ltd., Jineng Technology Co., Ltd., Risun Group Co., Ltd., Metallurgical Industry Information Standards Institute	Ministry of Industry and Information Technology of the People's Republic of China
5	Metallurgical Coke	National Standard	GB/T 1996-2017	Main drafter	Benxi Steel Group Co., Ltd., Risun Group Co., Ltd., Jineng Technology Co., Ltd., Angang Steel Co., Ltd., Fujian Sansteel (Group) Co., Ltd., Metallurgical Industry Information Standards Institute	General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China; Standardization Administration of China
6	Coking Xylene	National Standard	GB/T 2285-2018	Main drafter	Xingtai Risun Technology Co., Ltd., Shanghai Baosteel Chemical Co., Ltd., Maanshan Iron & Steel (Group) Holding Co., Ltd., Metallurgical Industry Information Standards Institute	State Administration for Market Regulation; Standardization Administration of China
7	Dephenolized Oil	Provincial Local Standard	DB 13/T 1626-2012	Participated in drafting	Xingtai Risun Coal Chemical Co., Ltd.	Hebei Provincial Bureau of Quality and Technical Supervision
8	Trioxane	Enterprise Standard	Q/XXM 10-2013	Presided over drafting	Xingtai Risun Coal Chemical Co., Ltd.	Xingtai Risun Coal Chemical Co., Ltd.
9	Carbon Black Oil	Enterprise Standard	Q/XXM 05-2017	Presided over drafting	Xingtai Risun Coal Chemical Co., Ltd.	Xingtai Risun Coal Chemical Co., Ltd.
10	Polymethoxydimethyl Ether	Enterprise Standard	Q/XXM 11-2014	Presided over drafting	Xingtai Risun Coal Chemical Co., Ltd.	Xingtai Risun Coal Chemical Co., Ltd.

VII. United Efforts for Industrial Prosperity

(II) Brand Cluster

At present, the coking industry still faces development challenges including intensified market fluctuations and low industrial concentration. The fragmented development pattern has restricted the improvement of the industry's overall competitiveness. Against this background, the Group took the lead in initiating the establishment of the China Coking Coal and Coking Brand Cluster together with industry-leading enterprises in 2024, serving as a core platform for integrating superior industrial resources and strengthening industrial coordination.

On April 14, 2025, the Group continued to play a leading role by hosting a meeting of the Chair and Vice-Chair Units of the China Coking Coal and Coking Brand Cluster at Risun Building, its headquarters. Representatives of Chair and Vice-Chair Units, including Shanxi Coking Coal Group Co., Ltd., China Pingmei Shenma Holding Group Co., Ltd., and Jinding Iron and Steel Coking Co., Ltd., attended the meeting to jointly plan the path for high-quality industrial development. As the highest-level decision-making and consultation meeting since the establishment of the cluster, it marked a new stage in the standardized and coordinated operation of the cluster and fully demonstrated the Group's leading role in the industry.

Focusing on the fundamental development of the cluster, the joint meeting achieved a number of important outcomes on the standardized construction of the cluster and coordinated industrial development, with key efforts promoted as follows:

First, improve the institutional system to consolidate the foundation for coordination.

The meeting reviewed and adopted the *Articles of Association of the Coking Coal and Coking Brand Cluster* and the *Administrative Measures of the Coking Coal and Coking Brand Cluster*, clarifying the basic guidelines and management norms for cluster operation and providing a solid institutional guarantee for the orderly development of follow-up work. Meanwhile, the candidate list of the cluster's professional committees was reviewed and confirmed. It was specified that the composition of professional committees covering market, technology, supervision and other fields will be optimized, the proportion of enterprises in southern and northern China will be balanced, and enterprises with strong technical strength and great industrial influence will be prioritized for key positions to ensure the efficient performance of the professional committees.

Second, build industrial consensus and clarify the direction of actions.

Participants conducted in-depth discussions on the current situation of industrial development and the development path of the cluster and reached three major consensuses: Cluster development will follow a progressive approach. In the short term, the membership structure will be optimized under the principle of "fewer but better", and the overall operation and management level of the cluster will be improved through benchmarking, small-scale observation and exchanges. Promote unified rules. With regard to coke pricing and trading rules, promote coordination and consensus between the southern and northern markets to jointly seize a favorable position in market competition. Uphold core strengths. During the industry downturn, key measures such as advance payment sales and control of testing and metering rights will be continuously implemented to ensure stable cash flow and earnings of member units.

Third, define the development path and promote win-win progress.

On the basis of improving institutions and building consensus, the meeting clarified four major directions for the follow-up development of the cluster: Give play to the exemplary role of Chair and Vice-Chair Units in complying with the cluster's articles of association and implementing its resolutions, driving regional coking enterprises to jointly safeguard the healthy development of the industry. Consolidate competitive advantages and strengthen coordination among member units to enhance resilience against market risks. Adhere to mutual progress through benchmarking, encouraging members to learn from each other and improve together. Promote industrial integration, use cluster coordination to drive the high-quality development of member units, and gradually increase industrial concentration.

In the future, the Group will continue to play a leading role in the industry, deepen coordination and cooperation with all members of the cluster, strengthen industrial self-discipline, improve the overall operation and management level of the industry, promote the strengthening and expansion of China's coking coal and coking brands, enhance the influence and market voice of China's coking industry in the global ferrous metal industrial chain, and make positive contributions of the industry to Chinese-style modernization.

Figure 7-3 Joint Meeting of the China Coking Coal and Coking Brand Cluster

Figure 7-4 China Coking Coal and Coking Brand Cluster

(III) Supply Chain Management

In 2025, the Group continued to deepen the concept of sustainable development, focusing on quality improvement and green transformation, and comprehensively promoted the optimization and upgrading of its supply chain management system. By improving full lifecycle supplier management, strengthening environmental and social risk management in the supply chain, deepening green procurement practices, and driving the low-carbon transformation of the logistics system, the Group further built a safe, efficient, green and transparent modern supply chain ecosystem. While ensuring stable supply and cost optimization, the Group actively promoted joint ESG collaboration with suppliers to support the overall sustainable development of the industrial chain.

During the reporting period, the Group cooperated with a total of 4,166 suppliers.

Table 7-1 Supplier Data for the Year 2025

Name of indicator	Regions	Unit	Annual data for the year 2025			
Total number of suppliers		/	4,166			
Number of suppliers by geographical region	North China	/	1,494	Percentage	(%)	36%
	Central China	/	517	Percentage	(%)	12%
	East China	/	704	Percentage	(%)	17%
	South China	/	524	Percentage	(%)	13%
	Northeast China	/	387	Percentage	(%)	9%
	Northwest China	/	254	Percentage	(%)	6%
	Southwest China	/	286	Percentage	(%)	7%
Number of producers having passed the ESG review		/	3,298	Percentage	(%)	79%
Number of producers covered in the review		/	4,082	Percentage	(%)	98%

VII. United Efforts for Industrial Prosperity

1. Full Lifecycle Supplier Management

The Group has continuously improved its full lifecycle supplier management mechanism, integrating quality requirements throughout the entire process of onboarding, evaluation, elimination and optimization, and established a standardized management and control system to ensure controllable quality at the supply chain source. Meanwhile, the Group attaches great importance to environmental and social risks in the supply chain, incorporating environmental and social responsibility factors into core considerations for procurement decisions and supply chain management. A dedicated team has been established to formulate management systems, implement dynamic management, conduct risk identification and supervision, so as to promote sustainable development of the supply chain.

Strict onboarding control to secure quality at source. The Group regulates supplier selection through standardized systems. In accordance with national and industrial regulations, it revised and improved the *Risun Group Supplier Management System* and *Group Bidding and Tendering Management System*, clarifying onboarding conditions and review processes to provide institutional support for source quality control. Suppliers must possess complete qualifications, valid certifications for the three management systems (quality, environmental and occupational health and safety), sound business and after-sales capabilities, and no records of major violations or safety and quality incidents. The Group has set up a Supplier Review Committee to conduct fair, impartial and open comprehensive reviews of supplier qualifications. Potential suppliers are subject to categorized assessments, and the Group integrates with Qixinbao, a third-party platform, to enhance the scientificity and rigor of onboarding reviews.

Improved assessment and incentives to strengthen process quality control. The Group has established a multi-dimensional supplier evaluation system combining company-level appraisal and Group performance review, covering indicators such as quality, cost, delivery and social responsibility, with graded dynamic management. Evaluation results are linked to cooperation share and incentive measures: suppliers are classified into four grades A, B, C and D. Grade A suppliers are awarded honors and granted increased cooperation share, while Grade D suppliers are eliminated. Such a targeted and incentive-based performance system pushes suppliers to improve quality.

Sound elimination mechanism to optimize supplier structure. The Group has defined clear criteria for unqualified suppliers and blacklisted entities. Suppliers with violations, breaches or substandard quality are rated unqualified or blacklisted accordingly to strictly control supply chain quality risks. A trader optimization plan has been implemented: among the existing 382 traders, cooperation models are optimized by product category. For key categories, priority is given to direct manufacturer engagement; for general and sporadic supplies, e-procurement is adopted to optimize the supplier portfolio.

Digital empowerment to improve efficiency and transparency. The Group promotes digitalization in supplier management by building an e-procurement platform and formulating management rules, realizing full online procurement and bidding with separated technical and commercial reviews to ensure transparent and efficient processes. All procurement activities are carried out based on synchronized procurement plans. Meanwhile, the Group continuously optimizes the supplier information database and leads the digital upgrade of the logistics management platform, enabling multi-party business collaboration and data sharing to provide digital support for quality control.

2. Joint Development of Green Supply Chain

The Group actively practices the green development concept, taking green procurement as an important measure to drive low-carbon transformation of the industrial chain, and focuses on joint ESG cooperation with suppliers. In the procurement process, the Group specifies environmental and energy-saving requirements in contracts, urges suppliers to provide relevant environmental certifications, controls environmental quality at source and promotes green upgrading of the supply chain, while giving priority to energy-saving and environmentally friendly products and services. Green technical requirements are specified throughout the procurement process; a sound green procurement monitoring system has been established, with regular reporting and annual audit plans formulated to ensure the implementation of green procurement policies. Through data analysis and trend forecasting, the Group continuously optimizes supplier selection and procurement strategies, promoting the normalization and institutionalization of green procurement. In 2025, the Group promoted the green transformation of its logistics system, positioning green transportation as a key support in responding to the national "Dual Carbon" strategy, fulfilling the Group's carbon goals, and achieving energy conservation, emission reduction and ultra-low emission ratings at its Bases. The Group systematically promoted the application of new energy, efficiency improvement and low-carbon operation. New energy vehicles were actively adopted for Base transportation. During the reporting period, the Group deployed hydrogen forklifts, hydrogen buses, electric forklifts and other new energy equipment at multiple Bases. Making full use of self-produced hydrogen, the Group significantly reduced carbon emissions in logistics and successfully built a closed-loop application scenario of "green hydrogen – green transportation". Meanwhile, the Group established a logistics informatization project team to comprehensively enhance the digitalization and intelligence of the Group's logistics management platform, promote data collaboration with Bases, customers and third-party platforms, improve transparency and scheduling accuracy in transportation, and provide digital support for green logistics.

Case

Risun 30th Anniversary Strategic Customer Symposium

In March 2025, the Group successfully held its 30th Anniversary Strategic Customer Symposium under the theme "Thirty Years Together, Striving Hand in Hand for a Century". A total of 248 strategic customers and 538 representatives from steel, coal, logistics, finance, new energy and other sectors gathered to discuss coordinated development of the industrial chain. At the symposium, the Group explicitly proposed to "deepen green and stable supply chain strategic partnerships among steel, coke and coal, and maintain sound market order and a healthy supply chain ecosystem". It emphasized creating value for customers through customized production and differentiated services, and accelerating the transformation to a "service-oriented manufacturing industry". Through in-person communication, the Group and its partners further consolidated consensus, taking green, low-carbon and sustainable development as the core direction of supply chain collaboration, laying a solid foundation for building a resilient, transparent and green supply chain system. As the Chairman stated, Risun is willing to remain a "lifelong apprentice" to its customers and march toward the next brilliant 30 years together.

Figure 7-5 Strategic Customer Symposium Celebrating the 30th Anniversary of Risun

VII. United Efforts for Industrial Prosperity

3. Global Supply and Marketing Network Layout

Based on its global development strategy, the Group focuses on building a global supply and marketing network and enhancing global core competitiveness, steadily advancing overseas expansion, deepening international cooperation, and promoting the international coordinated development of the coking and related industries, achieving win-win results for the Group, global partners and the industry.

Deepening the Indonesian market to consolidate the foundation for overseas development. The Risun Weishan 3.2 million tpa coking project in Indonesia has fully acted as a bridgehead, helping the Group establish long-term and stable strategic cooperative relations with major international steel enterprises in Southeast Asia, South America, India, Europe and other regions, expanding global supply and marketing channels. In May 2025, Risun Weishan New Energy (Indonesia) Co., Ltd. successfully obtained the "RISUN" trademark certificate covering chemicals, agriculture, food, pharmaceuticals, industrial manufacturing and other categories, providing solid legal protection for the Group's diversified business and new product promotion in Indonesia, and consolidating the foundation for brand internationalization. Meanwhile, as a founding member together with other industry leaders, the Group actively promoted the establishment of the Indonesian National Coking Industry Association. By strengthening overall industry coordination, a smooth communication mechanism with the Indonesian government and relevant authorities has been formed, enabling unified coordination and guidance for local coking enterprises, promoting the healthy and stable development of Indonesia's coking industry in line with local economic and social needs, and achieving coordinated progress and win-win results for enterprises, the industry and local communities.

Expanding global presence to accelerate internationalization. On August 19, 2025, Risun's Brazil Office was officially established in Belo Horizonte, the Group's first office in the Americas. It will not only serve the local Brazilian market but also cover the entire Latin America region, marking a key new step in the Group's internationalization and further improving its global supply and marketing network. To date, the Group has established 11 overseas subsidiaries and offices in Indonesia, Singapore, Japan and other locations, with business covering 41 countries and regions, forming a comprehensive, multi-level and wide-ranging global layout that strongly supports the efficient operation of the global supply and marketing network.

In 2025, the Group was selected into the China Brand Internationalization Benchmark 100 list. This honor represents high recognition from the industry and society of the Group's achievements in brand internationalization and global competitiveness, highlighting its growing brand influence and industry status in the global market, and laying a solid foundation for the Group to continue advancing globalization and building stronger global competitiveness.

08

Promote
Employee Growth

VIII. Promote Employee Growth

Talent is the primary resource for corporate development and the core driving force for Risun to navigate industry cycles and achieve steady, long-term growth. In 2025, the Group remained strategy-led, system-based, and employee-centered, systematically building a human resource management system covering the full talent chain of attraction, development, utilization and retention. By continuously optimizing talent mechanisms, the Group embodied the profound meaning of a "community of shared purpose, shared interests and shared future", injecting people-oriented strength into Risun's new journey toward globalization.

(I) Recruitment of Talents

The compounding growth of talent is the real key to an enterprise's resilience through cycles. Grounded in institutional development and guided by strategic needs, Risun systematically advanced the improvement of talent mechanisms. In 2025, the Group continued to optimize its recruitment management system along four priorities: compliant employment, precise talent introduction, channel expansion and global layout. It strengthened its employer brand influence and steadily expanded the scale of talent acquisition, providing solid human resource support for the Group's high-quality development.

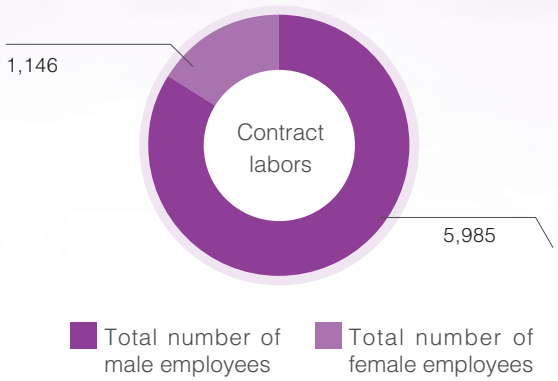
The Group strictly abides by national laws and regulations including the *Labor Contract Law of the People's Republic of China*. Based on operational realities, it established a system covering key processes such as recruitment, hiring, promotion, compensation and leave, including internal documents such as the *Risun Group Compensation Management Measures* and *Group Recruitment Management Measures*. These ensure the entire human resource management process is law-based, compliant, open and transparent, and guarantee fairness and professionalism in talent selection. The Group adopted a market-oriented, professional recruitment approach, focusing on attracting outstanding talents with professional competence, innovation ability and a strong sense of responsibility who are willing to build a "community of shared purpose, shared interests and shared future" with Risun. It attached great importance to high-end talent introduction and continued to implement special programs for high-level talents such as doctoral candidates by enforcing the *Measures for the Training, Utilization and Management of Doctoral Talents of Risun Group (for Trial Implementation)*, reserving core strength for technological innovation and strategic upgrading. Meanwhile, the Group enhanced its appeal to high-caliber talents by optimizing its compensation and benefit system, building a competitive employer brand.

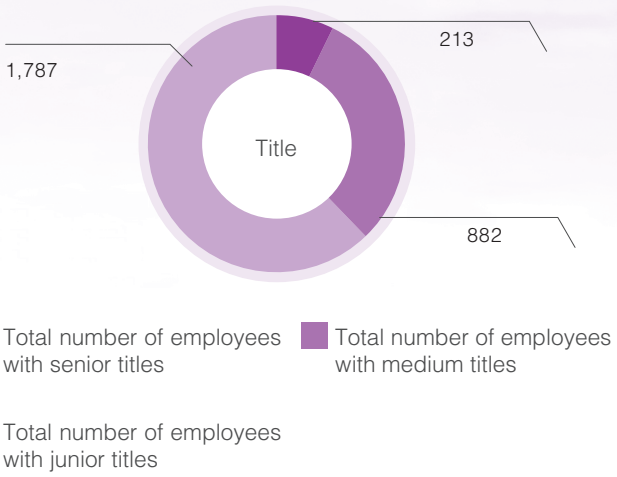
In 2025, focusing on strategic business needs, the Group further refined talent introduction standards, prioritizing the recruitment of four types of talents: leading talents, structural talents, scarce talents and capability-enhancing talents. It intensified talent acquisition throughout the year, hiring 934 new employees, a year-on-year increase of 15.7% compared with 2024, further expanding the talent echelon.

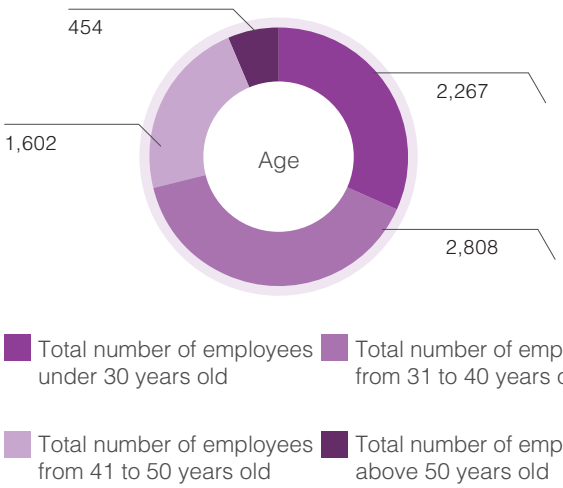
VIII. Promote Employee Growth

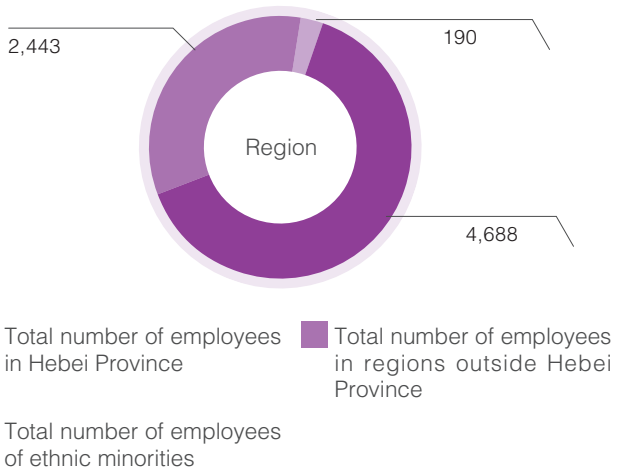
Table 8-1 Employment in 2025

Total number of employees 7,131









VIII. Promote Employee Growth

Table 8-2 Turnover rate in 2025

Name of indicator	Unit	2025
Annual turnover rate of regular employees	(%)	11
Turnover percentage of male employees	(%)	11
Turnover percentage of female employees	(%)	10
Turnover percentage of employees in Hebei Province	(%)	8
Turnover percentage of employees outside Hebei Province	(%)	16
Turnover percentage of employees under 30 years old (inclusive)	(%)	20
Turnover percentage of employees from 31 to 40 years old	(%)	7
Turnover percentage of employees from 41 to 50 years old	(%)	5
Turnover percentage of employees above 50 years old	(%)	15
Total number of labor-related appeals filed through formal appeal mechanism	(case)	1

Table 8-3 Work-related injuries in 2025

Name of indicator	Unit	2025	2024	2023
Number of deaths due to work-related injuries	(Person)	1	0	0
Death rate due to work-related injuries	(%)	0.01	0	0
Number of working days lost due to work-related injuries	(Day)	0	0	0

(II) Development and Training

Risun upholds the talent philosophy of "Virtue and Competence, Virtue First" and fully embodies the shared vision of "a community of shared interests, a community of shared cause, and a community of shared future". It continuously improves its training and development system, builds tiered and categorized growth platforms, and strengthens incentive and restraint mechanisms to promote synchronized growth of employees and the enterprise, injecting enduring talent impetus into the Group's global strategy and high-quality development.

1. Building a Diversified Training System

Guided by systematic and standardized training, and in accordance with the *Risun Group Training Management Measures*, the Group has built a multi-level, wide-coverage and diversified training system tailored to the development needs of employees at different levels and positions.

New employees	• For social recruits, centralized training was held quarterly in the Group's Beijing region, with 4 sessions throughout the year to support smooth onboarding. • For fresh graduates, the "Seven Major Training Camps" program was implemented, with 369 participants in total. Unified deployment and customized plans at each Base ensured effective training delivery.
Frontline employees	• The Group held the 2nd Labor Skills Competition on October 17-18, 2025, focusing on the chemical sector with 7 contest categories. A total of 123 contestants from 11 teams participated, judged by 41 professional referees, with 36 awardees. Through "theory + practical operation" assessment, the competition fully tested frontline capabilities and fostered a culture of learning, competition and excellence.
Management personnel	• The Chairman personally led the General Manager Training Program, with 49 general managers participating to strengthen strategic alignment and execution. • The 2025 "Two New" Cadre Training Program was conducted over six months, supporting newly promoted and newly hired middle managers to accelerate role transition and improve performance. • The Executive Development Program continued, with intensive sessions held at the Group's Xingtai Base, Cangzhou Base, Dingzhou Base and Hohhot Base, focusing on leadership growth and capability advancement.
Overseas employees	• The Group attached great importance to upskilling international talent. Outstanding Indonesian employees were arranged to attend specialized "Chinese + Vocational Skills" training at domestic vocational colleges, which effectively improved job competence and cross cultural adaptability, providing solid support for the steady development of overseas business.

VIII. Promote Employee Growth

Case

Risun University: Core Platform for Group-Wide Talent Development

As the core talent development platform of the Group, Risun University continued to play a key role in 2025.

In terms of instructor development, the Group held its first special training for internal trainers, attracting 398 participants including internal trainers, middle and senior managers, and master's/doctoral talents, initially forming a high-quality internal lecturer team. Meanwhile, special training for operation services was launched, with two operational teams trained, further enhancing the Group's professional operation capacity.

Each Base carried out innovative and localized training activities, including walking training, one-point lessons, reserve cadre training, on-the-job technical drills, Doctoral Lecture Hall, and Technical Forums, forming a vibrant training ecosystem that effectively met personalized learning needs across positions.

In 2025, a total of 40 training sessions were held, covering 66 courses and 460 class hours, with 2,459 participants. Through the "Risun Grand Lecture" platform, 9 special lectures were delivered throughout the year, reaching 1,783 participants and effectively broadening employees' knowledge horizons.

Case

Risun 2025 Fresh Graduate Onboarding Training

From June 20 to July 9, 2025, the Group launched synchronized fresh graduate onboarding training camps at seven Bases: Xingtai, Dingzhou, Cangzhou, Hohhot, Yuncheng, Dongming and Pingxiang. A total of 375 new doctoral, master's and bachelor's graduates from universities nationwide participated.

Figure 8-1 New Employee Onboarding Training at Group Xingtai Base

Aiming to "button up the first button of career development", the program was coordinated by Risun University under the *2025 Fresh Graduate Onboarding Training Plan*, achieving unified standards, controllable processes and categorized implementation. Training covered three modules: Cultural immersion: Senior executives shared "Risun stories" and participants studied core documents including the *Risun Common Program* to strengthen cultural identity. Business cognition: Systematic introduction of Group strategy, the "Five Modernizations" Base model, "Seven Unifications" management mechanism and R&D innovation system. Professional coaching: Career competency courses supported by military training and cultural activities to enhance integration. Each Base assigned dual mentors to trainees and established individual growth files. Upon completion, a one-month frontline practice was arranged, implementing the talent development mechanism of "starting from the grassroots".

2. Open Career Development Pathways

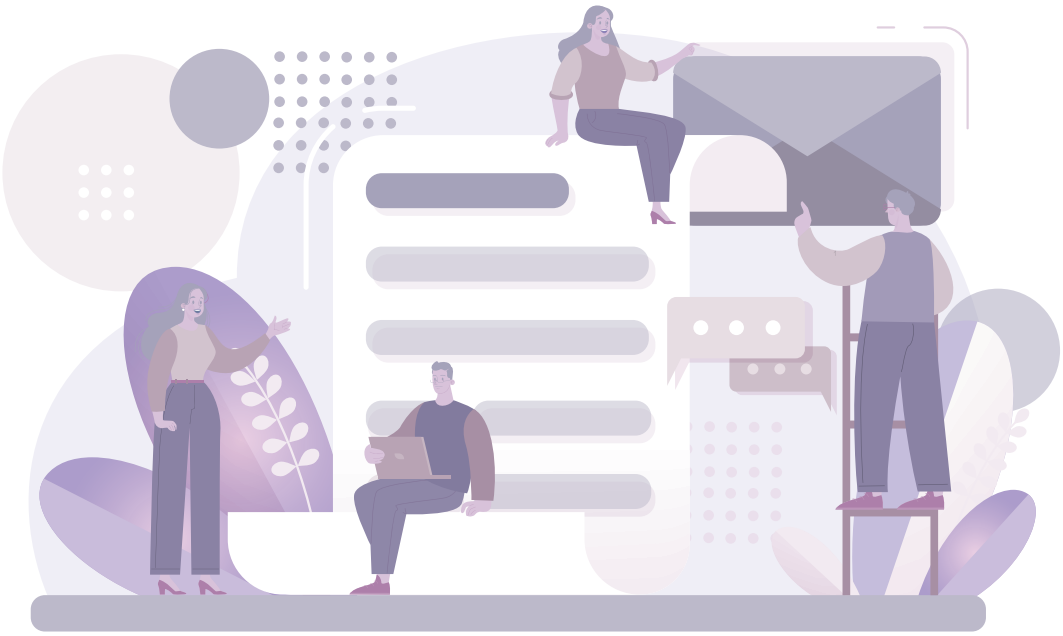
The Group has established a scientific and transparent career development system with clear growth paths. Based on core systems including the *Risun Group Position Grade Management Measures*, *Cadre Management Measures* and *Measures for the Appointment of Technical/Skill/Professional Tracks*, three career channels are clearly defined: To ensure fairness in promotion, the Group applies competitive recruitment and promotion publicity. All promotions go through qualification review, interview defense and comprehensive evaluation to ensure person-job matching. All promoted personnel are publicly announced across the Group to accept employee supervision.

In 2025, the Group promoted 153 cadres, with priority given to marketing transformation and new projects, providing strong cadre support for emerging industries and new businesses. Meanwhile, the Group compiled the *Risun Group Cadre Work Regulations*, covering position grading, promotion, training, performance incentives, overseas assignments and disciplinary actions, significantly improving the systematicness and standardization of cadre management.

3. Long-Term Incentives and Performance Management

To deepen the "three communities", the Group continued to innovate long-term incentive mechanisms. On April 29, 2025, Risun announced a proposed equity incentive plan using 5-year stock options to closely bind core talent with the Group's medium- and long-term development. On September 1, 2025, the first employee stock ownership plan was officially implemented, granting 9.92 million shares to 197 core employees. On January 22, 2026, the second phase granted 4.50 million shares to 600 employees. In total, 797 employees were covered, including all middle and senior cadres and core backbones, fully demonstrating the Group's commitment to sharing development achievements with employees. For performance management, the Group uses a KPI-based appraisal system covering all cadres and employees with monthly evaluations. Results are directly linked to compensation, promotion and training to deliver strong incentive and restraint effects.

The Group actively encourages employees to improve professional qualifications and academic levels. It provides external training for professional skills and safety certifications, establishes job competency models, improves the vocational skill certification system, and strengthens the application of skill certificates in position grading and salary determination, effectively supporting employees' self-development.



VIII. Promote Employee Growth

Table 8-4 Employee Training in 2025

Name of indicator	Unit	2025
Total number of trainings	(Times)	12,269
Number of employees trained	(Person)	156,001
Percentage of employees trained	(%)	100%
Percentage of male employees trained	(%)	100%
Percentage of female employees trained	(%)	100%
Percentage of employees with senior titles trained	(%)	100%
Percentage of employees with medium titles trained	(%)	100%
Percentage of employees with junior titles trained	(%)	100%
Training expense	(RMB 10,000)	26
Total training hours of employees	(Hour)	86,277
Average training time per employee	(hour/person)	50.11
Average training time per male employee	(hour/person)	50.74
Average training time per female employee	(hour/person)	49.48
Total training hours of senior employees and above	(Hour)	2,405
Average training hours of senior employees and above	(hour/person)	198
Total training hours of middle-level employees	(Hour)	13,941
Average training time per middle-level employee	(hour/person)	229
Total training hours of junior employees	(Hour)	41,212
Average training time per junior employee	(hour/person)	231

(III) Diversity and Equity

Risun upholds the principles of diversity and equal employment, deeply integrating this philosophy into the entire process of talent recruitment, development, incentives and organizational operations. The Group is committed to fostering a fair, inclusive and discrimination-free workplace, respecting each employee's background differences and individual value, ensuring all employees enjoy equal development opportunities and legitimate rights and interests, and growing together with employees to build an organizational system and atmosphere that is democratic, equal, free, relaxed and rigorous.

To systematically identify and manage human rights-related risks, the Group has continuously improved its human rights due diligence process covering employee rights, community impact, supply chain management and protection of vulnerable groups, forming a closed-loop management system: Identify – Assess – Mitigate – Monitor. On December 19, 2025, the Group officially issued the *Human Rights Policy Statement of China Risun Group Limited* on its official website, in response to international standards including the *Universal Declaration of Human Rights* and the *Ten Principles of the United Nations Global Compact*. Human rights protection covers the full cycle of recruitment, compensation, anti-discrimination, privacy protection, freedom of association and supply chain management. The statement also establishes a grievance protection mechanism (hr-feedback@risun.com), strictly prohibits retaliation, and commits to regular training, evaluation and improvement, advancing human rights governance from internal implementation to an institutionalized stage of openness, transparency and continuous improvement, earnestly fulfilling corporate social responsibility.

Human Rights Due Diligence Process

- **Identification:** We comprehensively identify human rights-related risks in daily operations and the supply chain through internal audits, employee interviews, supplier inspections and other methods.
- **Assessment:** After identifying potential risks, we conduct detailed assessments of their human rights impacts. The internal audit team regularly reviews work across departments and the supply chain and documents identified risks. External audit results are used as supplements to enhance the comprehensiveness and credibility of the assessment.
- **Mitigation:**

  Labor rights:
  A sound employee welfare system is established to ensure fair wages, reasonable working hours and a healthy working environment. Regular training and audits ensure compliance with prohibitions on forced labor and child labor.

  Community rights:
  Land rights, resource rights and cultural rights of local communities are protected through community engagement programs. Regular communication with communities ensures company activities do not cause negative impacts.

  Supply chain management:
  The Risun Group Supplier Management Measures require suppliers to maintain complete quality, environmental, safety and occupational health management systems. Suppliers are regularly audited to ensure compliance with labor and environmental standards.

  Protection of vulnerable groups:
  Through diversity programs and activities, special attention is paid to protecting the rights and interests of women, children, ethnic minorities and other vulnerable groups.

  In addition, we conduct regular human rights training to raise employee awareness and set up a grievance mechanism through which employees may submit complaints via hotline or email.

- **Monitoring:** We regularly monitor the effectiveness of human rights risk mitigation measures and ensure transparency and fairness through internal reporting and external audits. Based on monitoring results, we continuously improve management practices to drive sustained enhancement of the Group's human rights performance.

VIII. Promote Employee Growth

The Group upholds a diverse talent philosophy and firmly rejects all forms of discrimination based on gender, age, language, region, belief, disability or any other ground. Recruitment procedures are strictly standardized to ensure every applicant can demonstrate their abilities and compete for opportunities in a fair and impartial environment. Meanwhile, the Group attaches great importance to gender equality and pay equity. By establishing clear compensation distribution policies and promotion incentive mechanisms, it eliminates pay gaps caused by non-merit factors such as gender, and guarantees equal rights for all employees in compensation, career promotion and other aspects, ensuring more pay for more work and better rewards for better performance. In preventing child labor and forced labor, the Group strictly implements the national *Provisions on Prohibiting the Use of Child Labor* and the internal *Risun Group Anti-Forced Labor Management Regulations*, explicitly banning any form of child labor and forced labor. No major violations occurred during the reporting period.

Overseas, the Group adheres to the principle of localized employment. At the Sulawesi Park in Indonesia, recruitment cooperation is mainly carried out through IMIP, a local government agency, enabling efficient screening and compliant hiring and effectively reducing employment risks. During recruitment, the Group strictly verifies Indonesian employees' educational background, family background, criminal record and trade union involvement. Employment contracts are signed only after candidates pass a medical examination. Meanwhile, the Group fully respects local religious beliefs and cultural customs, with in-depth understanding of Islamic taboos and local traditions, ensuring the recruitment model meets corporate standards while adapting to local conditions. For skilled technical positions required for project construction and commissioning, the Group recruits high-skilled talents externally. For key positions, confidentiality agreements, non-compete agreements and intellectual property agreements are signed in accordance with the law to protect the security of the Group's core technologies.

Adhering to an open and transparent management philosophy, the Group has continuously improved employee participation mechanisms and smoothed communication channels to foster a corporate atmosphere of respect and trust. It regularly holds employee forums, Democratic Management Month activities, employee representative inspections and other events to widely collect opinions and suggestions on management systems, benefits, work safety and other topics. Group leaders went to the front lines, conducting one-on-one interviews or group discussions at various Bases, with face-to-face communication with more than 500 cadres and employees. They gained in-depth understanding of employees' thoughts, practical difficulties and development needs, and actively promoted the resolution of feasible issues to effectively respond to employee concerns.

Case

2025 Spring Festival Gala at Group Xingtai Base

In January 2025, the Group held the 2025 Spring Festival Gala at its Xingtai Base. Employees wrote, directed and performed songs, dances, skits and other shows, showcasing corporate culture and employee talent while strengthening team cohesion. A special poetry recital Blessings to Risun from the Sulawesi Park in Indonesia was included, highlighting cross-cultural integration and the shared commitment of global employees. In line with the philosophy of running the enterprise diligently and frugally, the gala created a festive atmosphere in a simple yet dignified manner. It not only demonstrated the dedication and spirit of struggle of Risun employees at home and abroad, but also strengthened solidarity through this cross-cultural cultural event, reflecting the Group's inclusive and diverse corporate culture.

Figure 8-2 2025 Spring Festival Gala at Group Xingtai Base

(IV) Care and Well-being

Since its early days, Risun has attached great importance to its commitments to employees and welfare provision, upholding the corporate purpose of "Creating Wealth, Perfecting Life". In 2025, the Group continued to enhance its employee care system, rolling out systematic support programs covering welfare security, physical and mental health, hardship assistance, democratic communication, care for female employees, and support for dispatched employees. It strives to build a warm, inclusive workplace with a strong sense of belonging, effectively improving employees' happiness, sense of security and organizational identity.

Comprehensive Welfare Security System

The Group has promoted the institutionalization and standardization of employee care. In accordance with the *Employee Welfare Management Measures*, it has established a wide-ranging, layered welfare support system to deliver substantive care to employees in work and daily life.

- Statutory public welfare:
  The Group strictly abides by national laws and regulations, ensuring employees lawfully enjoy basic rights including statutory holidays, social insurance and paid annual leave.

- Public facility welfare:
  Dormitories, canteens, bathhouses, parking lots and other collective facilities have been built to meet basic living needs and enhance convenience at work.

- Festival welfare:
  During major festivals including the Mid-Autumn Festival and Spring Festival, festival benefits are uniformly distributed to convey corporate care and strengthen employees' sense of belonging.

- Employee Satisfaction:
  In 2025, the Group set goals to improve employee satisfaction across four dimensions: job satisfaction, happiness, stress management and sense of professional purpose. Through systematic care initiatives, it aims to build a warmer and more dynamic organizational ecosystem.

- Employee Happiness:
  The Group always puts the well-being of all employees first and continuously improves their happiness and satisfaction through a series of care measures.

Figure 8-3 New Year's Eve Cultural Evening

Figure 8-4 Welfare Distribution

VIII. Promote Employee Growth

Physical and Mental Health Care

The Group highly values employees' physical and mental health and provides support through diverse channels.

- Health examinations:
  Regular physical checkups are arranged to help employees understand their health conditions in a timely manner.
- Mental health support:
  Psychological counseling and stress management services are offered to help employees cope with pressures from work and life.
- Care for female employees:
  The *Female Workers Protection Management System* has been formulated to effectively protect the legitimate rights and health of female employees. During International Women's Day, recreational activities are organized, holiday gifts are provided, and a half-day leave is arranged in accordance with regulations to show respect and care.

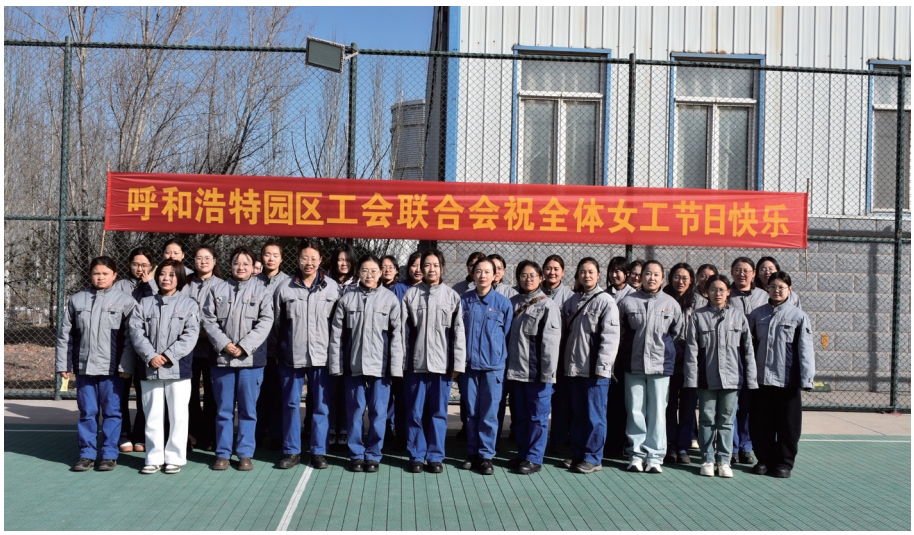


Figure 8-5 International Women's Day at Hohhot Base

VIII. Promote Employee Growth

The Group actively supports employees facing hardships to ease their living burdens and ensure basic quality of life.

- Hardship consolation mechanism:
  During major festivals, targeted condolences are provided to verified employees in need, including cash grants and daily necessities, to convey organizational care.

- Employee mutual aid culture:
  The "One-Day Employee Donation" campaign continues to promote mutual support among employees. A mutual aid fund formed by voluntary donations supports families of employees suffering from sudden serious illnesses or accidents, further strengthening organizational cohesion and humanistic warmth.

Assistance for Employees in Need

Figure 8-6 Condolence Visit to Employees in Need

VIII. Promote Employee Growth

Rich Cultural and Sports Activities

The Group enhances team cohesion and solidarity by organizing diverse cultural and sports activities.

- Tourism and cultural activities:
  Annual trips and cultural events are held by company or Base.
- Cultural and sports facilities & activities:
  Gymnasiums, sports fields and other facilities are built to enrich employees' leisure life. The Group hosts tours, anniversary celebrations, sports meetings and other events, providing items, prizes, souvenirs and meal coupons. Regular activities including badminton, basketball, football matches and autumn hiking are arranged to promote well-being and teamwork.

Figure 8-7 Fitness Walking Activity

Figure 8-8 Basketball Match

Figure 8-9 Employee Sports Meeting

VIII. Promote Employee Growth

Support for Dispatched Employees

For dispatched employees, the Group has formulated and implemented the *Regulations on Care for Families of Dispatched Employees* to relieve their worries and enable them to focus on their duties.

- Organizational support mechanism:
  Family information files are established and dynamically managed to ensure accurate, timely and effective support when needed.
- Emergency assistance coverage:
  Consolation and support are provided to dispatched employees' families facing major events or difficulties, including weddings, funerals, natural disasters and serious illnesses.
- Convenient application process:
  Multiple application channels are available so that dispatched employees and their families can easily ask for help. Responsible departments respond promptly and carry out assistance measures.

[1] The scope of occupational health examinations includes routine physical examinations and targeted screenings, covering occupational hazard factors such as coal dust, noise, and chemical substances like benzene. Specific examination items and target diseases are tailored to different hazard factors, including pneumoconiosis (dust-related lung disease), noise-induced hearing loss, benzene poisoning, and other occupational illnesses.

09

Partnership for **Sustainable Community Development**

IX. Partnership for Sustainable Community Development

Risun has long upheld the responsibility philosophy of "from society, for society", deeply integrating corporate development into local economic and social progress. It is committed to building a sustainable ecosystem in which enterprises and communities coexist and prosper. In 2025, the Group focused on two major areas:

co-construction of the economic ecosystem and collaborative community governance. On the one hand, it drove regional economic growth and employment through localized hiring, regional supply chain development and industrial investment.

On the other hand, it actively fulfilled its social citizenship by launching diverse public welfare initiatives, strengthening trust with stakeholders, and supporting the long-term prosperity and stability of host communities.

(I) Economic Ecosystem Development

As a leading industrial enterprise, the Group deeply participated in and promoted local economic development through job creation, supply chain synergy and regional investment. It continued to optimize its global industrial layout and strengthen linkage with local economies, injecting stable momentum into regional growth while pursuing its own high-quality development.

In 2025, the Group continued to expand local talent recruitment and employment support. A total of 4,688 employees were based in Hebei Province, accounting for 66% of the total workforce, honoring its commitment to localization and supporting regional employment and livelihoods. Through its production Bases across the country, the Group effectively promoted the coordinated development of regional industrial chains. Its supply chain strategy continued to prioritize key regions: in 2025, North China hosted 1,494 suppliers, representing 36% of the total, the highest among all regions. This strongly supported the growth of local SMEs, formed a stable industrial collaboration ecosystem, and matched resource factors with local needs. While achieving sustainable development, Risun continued to contribute to community prosperity and balanced regional economic progress.

(II) Community Governance Collaboration

Risun sees itself as an important participant and co-builder of community development, adhering to the corporate ideal of "contributing the utmost to social progress". It actively integrated into local governance and fostered a new pattern of diversified, collaborative community governance through charitable donations, volunteer services, government-enterprise cooperation and public communication. In 2025, the Group increased public welfare investment, providing targeted donations in regional development, cultural-sports-tourism integration, emergency relief and other key areas. The total donation reached RMB 6.96 million, effectively supporting local economic and social construction.

IX. Partnership for Sustainable Community Development

Charitable Donations

- To support residents affected by the fire at Wang Fuk Court, Tai Po, New Territories, Hong Kong, Risun donated HKD 1 million through an account designated by the HKSAR Government. The funds were used for resettlement and humanitarian assistance to help the community restore order.
- The Dingzhou Base responded to the local government's call and donated RMB 4 million to Dingzhou City in October 2025, dedicated to the "Come to Dingzhou, Show Your Talent" National Day & Mid-Autumn Festival tourism campaign. This helped promote the city brand "Dingzhou Journey, Perfect Experience" and advanced the integrated development of culture, sports and tourism.

Figure 9-1 Donation of RMB 4 Million to Dingzhou City

Volunteer Activities

The Group encouraged employees to participate in social services, using volunteerism as a way to practice corporate values and enhance team cohesion. In 2025, volunteer teams at all Bases carried out regular, themed public welfare activities, demonstrating the sense of social responsibility of Risun employees.

- The volunteer team of the Cangzhou Base, organized by the Bohai New Area Federation of Trade Unions, launched a series of activities under the theme "Unite Volunteer Strength, Showcase Risun Spirit". Volunteers formed the "River Xiaoqing" waterway protection group to clean up garbage along the Lianwa Drainage River, promoting the concept of "protect rivers and safeguard our home". They also organized the "Park Bikes, Advance Civilization" campaign to rearrange disorderly parked shared bikes and electric scooters, advocating civilized travel and improving urban order. These actions improved the local environment, deepened employees' understanding of CSR, and achieved mutual empowerment of social value creation and team building.

Figure 9-2 Volunteer Service Activities at Cangzhou Base

IX. Partnership for Sustainable Community Development

The Group actively responded to government initiatives, leveraged industrial advantages, and participated in local infrastructure and livelihood projects to solve practical community challenges and deepen enterprise-community collaboration.

Government-Enterprise Collaboration & Livelihood Security

- The Yuncheng Base responded to the call of the Yuncheng County Party Committee and Government, shouldering social responsibility by jointly establishing Yunzhou Risun Gas Co., Ltd. with Shandong Yunzhou Urban Development Investment Co., Ltd. to implement the coke oven gas supply project. The pipeline network was fully completed in October 2025, stably supplying self-produced coke oven gas to the Yuncheng County Economic Development Zone, benefiting 9 glass manufacturers and saving them approximately RMB 120 million in annual gas costs, effectively resolving local energy supply constraints.

- Hebei Risun Energy Co., Ltd. continued to fulfill its livelihood security responsibility by investing RMB 120 million to build a heating main station, supplying industrial waste heat to Dingzhou urban area. The project covers a heating area of RMB 3.56 million square meters, serving more than 50,000 households and 11 enterprises. It saves 110,000 tons of standard coal annually and reduces CO_2 emissions by 180,000 tons, achieving both economic and social benefits.

Figure 9-3 External Gas Supply Realized at Yuncheng Base

IX. Partnership for Sustainable Community Development

Risun embraces open social supervision and enhances public understanding of modern energy and chemical enterprises through events such as Environmental Protection Public Open Days, building trust between the enterprise and society.

- The Xingtai Base held its Environmental Protection Public Open Day in June 2025, inviting more than 50 guests including representatives from the Hebei Environmental Protection Federation, China Environmental Protection Foundation, government authorities, and teachers and students from Xingtai University. Through briefings, on-site tours and VR experiences, the Base fully demonstrated its achievements in green production, ultra-low emissions and circular economy. The event strengthened university-enterprise cooperation, integrated theory and practice, and raised public awareness and participation in ecological protection. Since 2015, the Xingtai Base has successfully held 11 consecutive Environmental Protection Public Open Days, establishing a regular mechanism for transparent operation and environmental information disclosure.

Environmental Protection

Figure 9-4 Environmental Protection Public Open Day at Xingtai Base

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Appendix

Appendix

1. Risun Operating Entities Included in the Report

Entity Name
Risun Wealth Limited ("Risun Wealth") (Note (iii))
China Risun Group (Hong Kong) Limited ("Hong Kong Risun")
Risun Global Limited ("Risun Global")
Risun Group Limited (旭陽集團有限公司) (Notes (i) and (iv))
Hebei Risun Energy Limited ("Hebei Risun Energy") (河北旭陽能源有限公司) (Notes (i) and (iv))
Shandong Hongda (山東洪達化工有限公司) (Note (iv))
Risun China Gas (呼和浩特旭陽中燃能源有限公司) (Note (iv))
Xingtai Risun Coal Chemicals Limited ("Xingtai Risun Coal Chemicals") (邢台旭陽煤化工有限公司) (Notes (ii) and (iv))
Cangzhou Risun (滄州旭陽化工有限公司) (Notes (ii) and (iv))
Dingzhou Tianlu (定州天鷺新能源有限公司) (Note (iv))
Dongming Risun Chemical Co., Ltd. (東明旭陽化工有限公司) (Note (iv)
Xingtai Risun Chemicals Limited (邢台旭陽化工有限公司) (Notes (i) and (iv))
Tangshan Risun Chemicals Limited (唐山旭陽化工有限公司) (Notes (i) and (iv))
Risun Marketing Limited (旭陽營銷有限公司) (Notes (ii) and (iv))
Xingtai Risun Trading Limited ("Xingtai Risun Trading") (邢台旭陽貿易有限公司) (Notes (i) and (iv))
Risun Materials Co., Ltd (旭陽物產株式會社) (Notes (iii) and (iv))
Tangshan Risun Materials Limited (唐山旭陽物產有限公司) (Notes (i) and (iv))
Dingzhou Zhongxu Industrial Limited (定州中旭實業有限公司) (Notes (iii) and (iv))

Note:

(i) Such entities are foreign-owned enterprises established in China.

(ii) Such entities are Sino-foreign joint ventures established in China.

(iii) There are no audited statutory financial statements prepared for such subsidiaries.

(iv) The English translation of the name is for reference only. The official name of such companies is in Chinese.

2. HKEX ESG Indicator Index

Serial Number	Indicator Description	Disclosure Status	Chapter
A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Disclosure	Pollutant and Waste Management
A1: Emissions	A1.1 The types of emissions and respective emissions data.	Disclosure	Pollutant and Waste Management
A1: Emissions	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosure	Pollutant and Waste Management
A1: Emissions	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosure	Pollutant and Waste Management
A1: Emissions	A1.5 Description of emission target(s) set and steps taken to achieve them. (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Disclosure	Pollutant and Waste Management
A1: Emissions	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosure	Pollutant and Waste Management
A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Disclosure	Energy Management
A2: Use of Resources	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosure	Energy Management
A2: Use of Resources	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosure	Water Resources Management

Appendix

Serial Number	Indicator Description	Disclosure Status	Chapter
A2: Use of Resources	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them. (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Disclosure	Water Resources Management
A2: Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosure	Water Resources Management
A2: Use of Resources	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosure	Energy Management
A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Disclosure	Environmental Management, Green Ecology
A3: The Environment and Natural Resources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosure	Environmental Management, Green Ecology
B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosure	Promote Employee Growth
B1: Employment	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Disclosure	Promote Employee Growth
B1: Employment	B1.2 Employee turnover rate by gender, age group and geographical region.	Disclosure	Promote Employee Growth
B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosure	Focus on Safety and Health

Appendix

Serial Number	Indicator Description	Disclosure Status	Chapter
B2: Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosure	Focus on Safety and Health
B2: Health and Safety	B2.2 Lost days due to work injury.	Disclosure	Focus on Safety and Health
B2: Health and Safety	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosure	Focus on Safety and Health
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Disclosure	Promote Employee Growth
B3: Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosure	Promote Employee Growth
B3: Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	Disclosure	Promote Employee Growth
B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosure	Promote Employee Growth
B4: Labour Standards	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Disclosure	Promote Employee Growth
B4: Labour Standards	B4.2 Description of steps taken to eliminate such practices when discovered.	Disclosure	Promote Employee Growth
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Disclosure	Supply Chain Management
B5: Supply Chain Management	B5.1 Number of suppliers by geographical region.	Disclosure	Supply Chain Management
B5: Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosure	Supply Chain Management

Appendix

Serial Number	Indicator Description	Disclosure Status	Chapter
B5: Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosure	Supply Chain Management
B5: Supply Chain Management	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosure	Supply Chain Management
B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosure	Commit to Quality Excellence
B6: Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	
B6: Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	Not applicable	
B6: Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Disclosure	Commit to Quality Excellence
B6: Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	Disclosure	Commit to Quality Excellence
B6: Product Responsibility	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosure	Commit to Quality Excellence
B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosure	Business Ethics and Anti-Corruption
B7: Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosure	Business Ethics and Anti-Corruption

Appendix

Serial Number	Indicator Description	Disclosure Status	Chapter
B7: Anti-corruption	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosure	Business Ethics and Anti-Corruption
B7: Anti-corruption	B7.3 Description of anti-corruption training provided to directors and staff.	Disclosure	Business Ethics and Anti-Corruption
B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosure	Partnership for Sustainable Community Development
B8: Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosure	Partnership for Sustainable Community Development
B8: Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area.	Disclosure	Partnership for Sustainable Community Development
D: Climate-related Disclosures	(I) Governance: Governance	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(II) Strategy: Climate-related risks and opportunities	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(II) Strategy: Business model and value chain	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(II) Strategy: Strategy and decision-making	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(II) Strategy: Financial position, financial performance and cash flows	Disclosure (Anticipated financial effect: adoption of capability (capacity building) exemption; Current financial effect: As no climate-specific assessment has been conducted, quantitative financial impact data cannot be accurately provided for the time being)	Response to Climate Change

Appendix

Serial Number	Indicator Description	Disclosure Status	Chapter
D: Climate-related Disclosures	(II) Strategy: Climate resilience	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(III) Risk Management: Risk Management	Disclosure	Response to Climate Change At this stage, the Group describes the impact of risks and opportunities qualitatively. Future plans include employing internationally accepted scenario models to conduct quantitative analysis, prioritizing various risks, and systematically assessing their likelihood and impact.
D: Climate-related Disclosures	(IV) Metrics and Targets: Greenhouse gas emissions	Disclosure (Scope 3 greenhouse gas emissions: using reasonable data waivers)	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related transition risks	Disclosure (Quantitative data on the amount and percentage of assets and business activities affected by climate-related transition risks: using reasonable data exemptions)	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related physical risks	Disclosure (Quantitative data on the amount and percentage of assets and business activities affected by climate-related physical risks: using reasonable data exemptions)	Response to Climate Change

Serial Number	Indicator Description	Disclosure Status	Chapter
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related opportunities	Disclosure (Quantitative data on the amount and percentage of assets and business activities affected by climate-related opportunities: using reasonable basis exemption)	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Capital deployment	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Internal carbon prices	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Remuneration	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Industry-based metrics	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related targets	Disclosure	Response to Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Applicability of cross-industry metrics and industry-based metrics	Disclosure	Response to Climate Change

3. Definition

Abbreviation		Full Name
Xingtai Base	Xingtai Risun Chemical	Xingtai Risun Chemical Co., Ltd.
	CNC Risun	CNC Risun Energy Co., Ltd.
	Xingtai Risun Coal Chemical	Xingtai Risun Coal Chemical Co., Ltd.
	Jinniu Risun	Hebei Jinniu Risun Chemical Co., Ltd.
Laoting Base	Tangshan Risun Chemical	Tangshan Risun Chemical Co., Ltd.
Dongming Base	Dongming Risun	Dongming Risun Chemical Co., Ltd.
Yuncheng Base	Yuncheng Risun	Yuncheng Risun Energy Co., Ltd.
Dingzhou Base	Hebei Risun	Hebei Risun Energy Co., Ltd.
	Dingzhou Tianlu	Dingzhou Tianlu New Energy Co., Ltd.
Cangzhou Base	Cangzhou Risun	Cangzhou Risun Chemical Co., Ltd.
Hohhot Base, Inner Mongolia	Risun China Gas	Hohhot Risun China Gas Energy Co., Ltd.

Appendix

4. GRI Index

The Group has prepared its report in accordance with the GRI Standards, covering the information referenced within this GRI Content Index for the period from January 1, 2025 to December 31, 2025.

GRI 1: Foundation 2021 A4:B32		
Used GRI 1	GRI 1: Foundation 2021	
Applicable GRI Sector Standards	None	
GRI 2: General Disclosures 2021		
GRI Standards	**Chapter**	**Note**
GRI 2-1 Organizational details	Overview, Appendix	
GRI 2-2 Entities included in the organization's sustainability reporting		
GRI 2-3 Reporting period, frequency, and contact point		
GRI 2-4 Restatements of information		
GRI 2-5 External assurance		
GRI 2-6 Activities, value chain, and other business relationships	Promote Green and Low-Carbon Development, Partnership for Sustainable Community Development	
GRI 2-7 Employees	Promote Employee Growth	
GRI 2-8 Workers who are not employees	This information is not reported for inapplicable reasons.	
GRI 2-9 Governance structure and organization	Sustainable Development Management	
GRI 2-10 Nomination and selection of the highest governance body		
GRI 2-11 Chair of the highest governance body		
GRI 2-12 Role of the highest governance body in overseeing sustainability		
GRI 2-13 Delegation of responsibility for sustainability impacts		
GRI 2-14 Role of the highest governance body in sustainability reporting		
GRI 2-15 Conflicts of interest	This information is not reported for inapplicable reasons.	During the reporting period, the Group did not encounter any incidents involving conflicts of interest, and existing governance mechanisms were sufficient to ensure transparency and compliance, eliminating the need for additional disclosure.

Appendix

GRI 2: General Disclosures 2021		
GRI Standards	**Chapter**	**Note**
GRI 2-16 Communication of critical concerns	Sustainable Development Management	
GRI 2-17 Collective knowledge of the highest governance body		
GRI 2-18 Evaluation of the highest governance body's performance		
GRI 2-19 Remuneration policies	Sustainable Development Management, Promote Employee Growth	
GRI 2-20 Process to determine remuneration	This information is not reported for confidentiality reasons	
GRI 2-21 Annual total compensation ratio	This information is not reported for confidentiality reasons	
GRI 2-22 Statement on sustainable development strategy	Sustainable Development Management	
GRI 2-23 Policy commitments		
GRI 2-24 Embedding policy commitments	This information is not reported for inapplicable reasons.	During the reporting period, the Group did not establish a clear sustainable development policy framework, and there were no significant policy updates or major practice cases.
GRI 2-25 Processes to remediate negative impacts	This information is not reported for inapplicable reasons.	During the reporting period, the Group did not encounter any significant negative incidents (such as environmental accidents or labor disputes) that would trigger such procedures.
GRI 2-26 Mechanisms for seeking advice and raising concerns	Sustainable Development Management	
GRI 2-27 Compliance with laws and regulations		
GRI 2-28 Membership associations		
GRI 2-29 Approach to stakeholder engagement		
GRI 2-30 Collective bargaining agreements	Promote Employee Growth	

Appendix

Disclosures on Material Topics		
We disclose all information related to material topics based on our management approach. For confidentiality reasons, we do not disclose personnel or financial details related to managing these topics.		
GRI Standards	**Chapter**	**Note**
GRI 3-1 Process to determine material topics	Sustainable Development Management	
GRI 3-2 List of material topics		
GRI 3-3 Management of material topics		
Economic Topic Disclosures	**Chapter**	**Note**
GRI 201 Economic Performance	Overview	
GRI 202 Market Presence	Overview	
GRI 203 Indirect Economic Impacts	Partnership for Sustainable Community Development	
GRI 204 Procurement Practices	United Efforts for Industrial Prosperity	
GRI 205 Anti-corruption	Sustainable Development Management	
GRI 206 Anti-competitive Behavior		
Environmental Topic Disclosures	**Chapter**	**Note**
GRI 301 Materials	Promote Green and Low-Carbon Development	
GRI 302 Energy		
GRI 303 Water and Effluents		
GRI 304 Biodiversity		
GRI 305 Emissions		
GRI 306 Waste		
GRI 307 Environmental Compliance		
GRI 308 Supplier Environmental Assessment	United Efforts for Industrial Prosperity	

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Disclosures on Material Topics		
Social Topic Disclosures	**Chapter**	**Note**
GRI 401 Employment	United Efforts for Industrial Prosperity	
GRI 402 Labor/Management Relations		
GRI 403 Occupational Health and Safety	Focus on Safety and Health, Promote Employee Growth	
GRI 404 Training and Education	Promote Employee Growth	
GRI 405 Diversity and Equal Opportunity		
GRI 406 Non-discrimination		
GRI 407 Freedom of Association and Collective Bargaining		
GRI 408 Child Labor		
GRI 409 Forced or Compulsory Labor		
GRI 410 Security Practices	This information is not reported for inapplicable reasons.	During the reporting period, the Group's operations did not involve high-risk regions, and its security measures complied with standards such as ISO certification, with no major security incidents occurring.
GRI 413 Local Communities	Partnership for Sustainable Community Development	
GRI 414 Supplier Social Assessment	United Efforts for Industrial Prosperity	
GRI 416 Customer Health and Safety	Focus on Safety and Health	
GRI 417 Marketing and Labeling	Commit to Quality Excellence	
GRI 418 Customer Privacy		

Appendix

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Independent Limited Assurance Report

To the Management of China Risun Group Limited

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by China Risun Group Limited ("the Company") to conduct an independent limited assurance engagement on the sustainability disclosures ("Sustainability Disclosures") presented in its Environmental, Social and Governance Report 2025 ("the Report") for the reporting period from 01 Jan 2025 to 31 Dec 2025 ("Reporting Period") and issue this Independent Assurance Report ("Assurance Report").

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA's assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements ("ISSA 5000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.

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4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

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This Assurance Report is made solely for the use of China Risun Group Limited and the users of its Environmental, Social and Governance Report 2025, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

Hong Kong, PRC
21 April 2026
Ref: 14997155

Appendix

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Independent Limited Assurance Report - List of Appendices:

Appendix A	Assumptions, dependencies, boundaries, limitations, exclusions, scope of roles and responsibilities and independence
Appendix B	Reporting Principles (For internal reference only)
Appendix C	Recommendations (For internal reference only)

Ref: 14997155

This Independent Assurance Report including appendices, comprises <9> pages in total.

Appendix

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Appendix A
Assumptions, Dependencies, Boundaries, Limitations, Exclusions, Scope of Roles and Responsibilities and Independence

Interpretation

References to the "Company" in this Appendix include any company, public body, government department, statutory organisation, or other entity that engages the Sustainability Assurance Service.

1. Assumptions, Dependencies, and Boundaries

1.1. Our results, conclusions and this Independent Assurance Report are solely based, and are dependent, on the readiness and completeness of the information provided by the Company to us. The assurance procedures rely on information provided by the Company, such as policies, assessment models, inventories, and reports, and any limitations in this information may affect our conclusions. This Independent Assurance Report assumes that the Company's systems, assessment models, and data are robust and current, with all material risks identified and appropriate methodologies applied, including those used for estimations. If there are any discrepancies or deficiencies in the information or documents provided by the Company, we reserve the right to make corresponding adjustments to the results and conclusions in this Independent Assurance Report. The scope of our sustainability assurance activities and this Independent Assurance Report is confined to the defined sustainability disclosures in the Report in accordance with the ESG Reporting Code, with boundaries encompassing relevant business units, geographies, periods, and operations, all of which are assessed for reasonableness and completeness.

1.2. For the avoidance of doubt, we shall not be liable for the provision of any incorrect or incomplete information and/or documents disclosed to us by the Company due to any cause whatsoever, and shall not be liable for any losses, fees, costs, expenses, damages and liabilities suffered or incurred as a result thereof. The Independent Assurance Report provided to the Company by us only verifies the information and documents provided by the Company during the Reporting Period relating to the Sustainability Disclosures included in the Report.

1.3. The results, conclusions and/or this Independent Assurance Report provided by us is for general guidance and information purposes only and should not be relied upon or used as the sole basis for making decisions without consulting primary, more accurate, more complete, or more timely sources of information. This Independent Assurance Report does not protect the Company or any other person or entity against loss as the result of the reliance on this Independent Assurance Report or the sustainability assurance activities by us.

1.4. This Independent Assurance Report does not constitute, and should not be construed as, any endorsement, recommendations or advice on the financial merits or otherwise of any debt instrument or investment product. No information in this Independent Assurance Report, nor the sustainability assurance activities performed by us, nor this communication, should be relied upon in making any investment decision.

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1.5. In relation to the results, conclusions and/or this Independent Assurance Report provided by us to the Company, we will use all reasonable endeavors to verify the compliance with specified requirements and highlight findings, if any. While we shall use all reasonable skills and care to be expected of an appropriately qualified and competent auditor, the results, conclusions and/or this Independent Assurance Report will inevitably involve subjective opinion based on the judgement and experiences of our personnel on the perceived impact of the non-conformities, if any. Accordingly, the interpretation of the results and conclusions, and the determination of their significance and any follow-up actions, remain matters for the Company's management.

2. Limitation and Exclusion

2.1. The following inherent limitations and exclusions arise from the engagement scope, the nature of the applicable criteria, and the characteristics of a limited assurance engagement:

2.1.1. The results, conclusions and/or this Independent Assurance Report are limited to examining the transcription and/or transformation of data into reported disclosures (such as claims, performance metrics, and climate-related disclosures). Evaluating the execution or effectiveness of ESG policies and practices is not within the scope.

2.1.2. The engagement involves the exercise of professional judgement and may include consideration of management's judgements, assumptions or estimation techniques. However, the engagement does not include a comprehensive assessment of the appropriateness of such judgements, assumptions or estimation techniques.

2.1.3. The results, conclusions and/or this Independent Assurance Report are based on sampling, inquiries, and the Company's representations and materials provided. As a result, some errors or irregularities may exist and remain undetected.

2.1.4. Sustainability information (such as Scope 3 emissions and forward-looking disclosures) may involve uncertainties due to data limitations, measurement methods, or incomplete scientific and technical knowledge.

2.1.5. Information outside the Reporting Period is excluded.

3. Roles, Responsibilities

3.1. The Company is responsible for:

3.1.1. maintaining and operating their information system;

3.1.2. developing and maintaining records and reporting procedures in accordance with such system. This includes the determination and calculation of the sustainability information and performance, including, where applicable, climate-related financial information;

3.1.3. preparing and providing the Report as well as required data and information on or before the agreed schedule(s) to facilitate successful conduction of the verification tasks by HKQAA;

3.1.4. ensuring that all information and documents provided by the Company are true, correct, complete and not misleading in any material respects and that there is no fact undisclosed which would render any such information or document inaccurate or misleading in any material respects or which, if disclosed, might reasonably affect the decision of HKQAA regarding the independent assurance conclusion; and

3.1.5. using the results, conclusions and/or this Independent Assurance Report and verification information provided by HKQAA as part of the Sustainability Assurance Service properly and at all times in compliance with the applicable laws and regulations.

3.2. The assurance team of HKQAA is responsible for:

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3.2.1. providing an independent assurance conclusion, conducted based on the scope, objectives, and criteria agreed upon between the Company and HKQAA, on the disclosures made by the Company for the Reporting Period.

4. Independence

4.1. HKQAA was not involved in collecting or in compiling the reporting contents. Our sustainability assurance activities were entirely independent, and there was no relationship between HKQAA and the Company that could affect the impartiality of the assurance.

4.2. It is the express intention of HKQAA and the Company that HKQAA perform the sustainability assurance activities as an independent contractor. Nothing in this Independent Assurance Report or in our sustainability assurance activities will in any way be construed to constitute HKQAA as an agent, employee, or representative of the Company. Without limiting the generality of the foregoing, HKQAA is not authorized to bind the Company to any liability or obligation or to represent that the Company has any authority.

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Appendix B
Reporting Principles

This section summarizes the observed application of the specified Reporting Principles.

Materiality	The Report discloses the process to identify and the criteria for the selection of material ESG factors. It also includes a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement, where conducted.
Quantitative	The Report discloses information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption where applicable.
Balance	/
Consistency	The Report discloses any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.

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Appendix C
Recommendations

Item Reference	Opportunity for improvement
General Comment	Nil comment

5. Feedback

Thank you for reading the Group's 2025 *Environmental, Social and Governance Report*. In order to provide you and other stakeholders with more valuable information and to promote the Group's overall working ability and level of in environmental, social and governance efforts, we sincerely welcome your insightful comments on the report and give feedback to us through the following ways:

Address: Building 1, Risun Plaza, Sihezhuang No. 2 Road, Huaxiang Town, Fengtai District, Beijing
Postal Code: 100070
Email: ir@risun.com

1. Which of the following stakeholders do you belong to?

- ☐ **A** Government and Regulatory Authorities
- ☐ **B** Customers
- ☐ **C** Investors/Shareholders
- ☐ **D** Supply Chain
- ☐ **E** Employees
- ☐ **F** Partners
- ☐ **G** Community
- ☐ **H** Experts

2. Do you think this report fully covers your expectations for the group?

☐ **A** Yes ☐ **B** No. Are there any other expectations you have that were not reflected in this report?

_____

_____

_____

_____

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3. Do you think the Group has responded well to your expectations?

☐ **A** Yes ☐ **B** No. Which of your expectations do you think have not been well addressed?

4. Do you find the content arrangement and layout design of this report convenient for reading?

☐ **A** Good ☐ **B** Fairly good ☐ **C** Average ☐ **D** Poor

5. Do you have any comments or suggestions regarding the Group's ESG work and this ESG report?

Thank you again for your participation!