

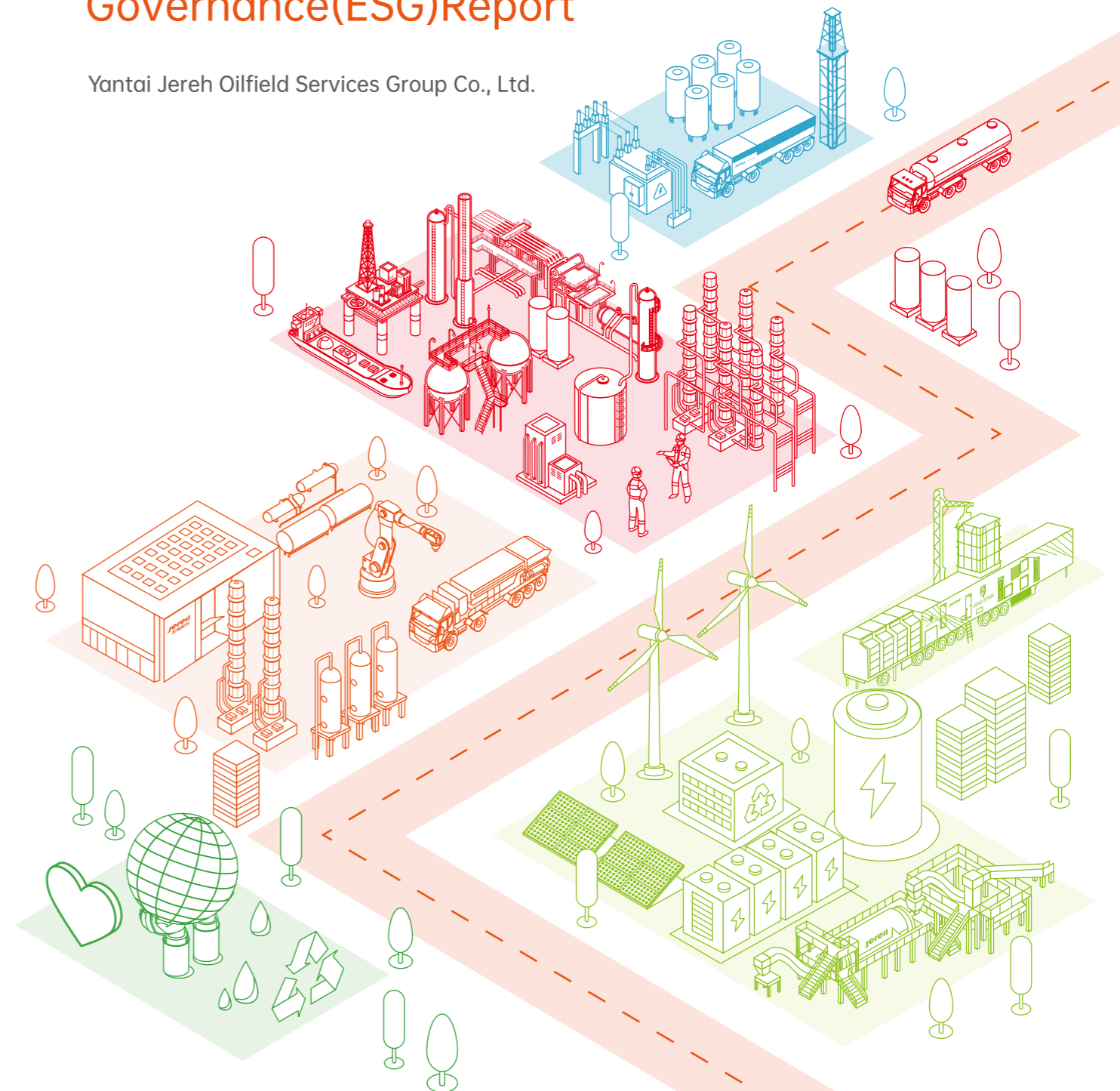
Stock Code: 002353



2025

Environmental, Social, and Governance (ESG) Report

Yantai Jereh Oilfield Services Group Co., Ltd.



No.5 Jereh Road, Laishan District, Yantai, 264003 China
Tel: +86-535-6723 166
E-mail: sales@jereh.com
Web: www.jereh.com



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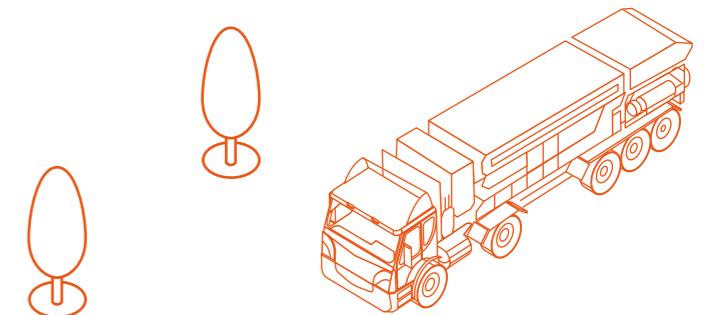
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About This Report

Introduction

This is the third Environmental, Social and Governance (ESG) Report (hereinafter referred to as the "Report") issued by Yantai Jereh Oilfield Services Group Co., Ltd. ("the Company"), aiming at providing stakeholders with a detailed disclosure of the Company's ESG performance in 2025 and responding to ESG topics of critical concern to stakeholders. The Company pledges to exercise oversight over the contents of this report, ensuring its absence of any false records or misleading representations, and assuming responsibility for its truthfulness, accuracy and completeness. For any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025. To improve the comparability and perspective, some sections of this report may extend appropriately to previous and subsequent years.

Reporting Scope

This report focuses on Yantai Jereh Oilfield Services Group Co., Ltd., including its branches and subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company's Annual Report.

Preparation Basis

- Shenzhen Stock Exchange *Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (for Trial Implementation)*
- Shenzhen Stock Exchange *Self-Regulatory Guidelines for Listed Companies No. 3 - Preparation of Sustainability Reports*
- Ministry of Finance of the People's Republic of China, *Corporate Sustainability Disclosure Standards—Basic Standards (for Trial Implementation)*
- *Sustainability Reporting Standards* of the Global Reporting Initiative ("GRI Standards 2021")
China Enterprise Reform and Development Society *"Guide to Corporate Sustainability Reporting in China" (CASS-ESG 6.0)*
- China National Standardization Administration Committee (CNSA) *Guidelines for Preparing Social Responsibility Reports (GB/T 36000-2015)*
- Disclosure Framework of the Task Force on Climate-related Financial Disclosures (TCFD)
- UN Sustainable Development Goals (SDGs) 2030
- Sustainability Accounting Standards Board Standards SASB (SASB Standards)

Data Explanation

All data sources used in this report include public data from government agencies, the actual operational data, annual financial data, internal statistical reports of the Company, third-party questionnaire surveys, third-party evaluations or interviews, etc. Unless otherwise specified, all amounts in this report are expressed in RMB. For any discrepancy between this report and the Annual Report, the Annual Report shall prevail.

Appellation Description

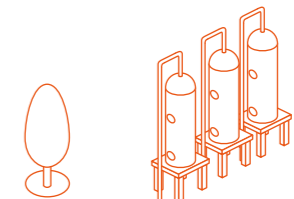
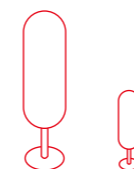
Company Name	Abbreviation
Yantai Jereh Oilfield Services Group Co., Ltd.	Jereh Group, Jereh, the Company or We
Yantai Jereh Petroleum Equipment & Technologies Co., Ltd.	Jereh Equipment
Jereh Oil & Gas Engineering Corp.	Jereh Oil & Gas Engineering
Jereh Energy Services Corporation	Jereh Energy Services
Jereh New Energy Technology Co., Ltd.	Jereh New Energy
Jereh New Energy Regeneration and Recycling Technology Co., Ltd.	Jereh New Energy Regeneration and Recycling
Jereh Bangda Environmental Protection Technology Co., Ltd.	Jereh Bangda
Hanchuan Ruima Environmental Technology Co., Ltd.	Hanchuan Ruima
Dezhou United Petroleum Technology Corp.	Dezhou United Petro
Jason Energy Technologies Co., Ltd.	Jason Energy
Yantai Jereh Power-Tech Co., Ltd.	Jereh Power-Tech
Jereh Hengri Natural Gas Engineering	Jereh Hengri
Jereh Agile Power Energy	Jereh Agile Power Energy
Shandong Jereh Catech Technology Co., Ltd.	Jereh Catech
Yantai Jereh Machinery Equipment Co., Ltd.	Jereh Machinery

Access to this Report

The electronic version of this report is available for download at the websites of Shenzhen Stock Exchange (<http://www.szse.cn>), cninfo (<http://www.cninfo.com.cn>) or the Company (<https://www.jereh.com>), where you can find further insights about the Company.

Reader Feedback

To continuously strengthen the quality of ESG disclosure, improve the Company's ESG management level and enhance the recognition of value in the capital market, we are hereby soliciting reader feedback on this report (please refer to Appendix II "Reader Feedback Form" for details), and kindly request readers to send their feedback to the Company's email (zqb@Jereh.com).



Message from the Chairman

Time flows swiftly, yet our original aspirations remain unwavering. Gazing back at 2025, the global economic landscape experienced profound adjustments, as geopolitical dynamics intertwined with AI technological transformation. Amid waves of uncertainty, a vigorous new quality productivity force is emerging. Throughout this period, we have remained steadfast in our core values, driven by relentless innovation, embracing both the challenges and opportunities of the era, and crafting a brand-new blueprint for Jerrell's high-quality and sustainable growth.

I. Revamping Corporate Governance to Enhance Organizational Efficacy

Corporate governance serves as the cornerstone of Jerrell's sustainable and resilient development. In 2025, in alignment with the requirements of high-quality governance, we canceled the Supervisory Board and further refined the modernization governance structure encompassing the "Board of Directors – Management – Specialized Committees". By streamlining organizational layers and enhancing the Board's strategic decision-making and risk control functions, we achieved a leapfrog elevation in governance effectiveness. Concurrently, we undertook a comprehensive review and revision of our governance policies to ensure every facet aligns with contemporary requirements and market expectations. Safeguarding shareholder interests remains central to our governance practice, and we continue to reinforce trust through robust operational performance and transparent communication mechanisms, constantly boosting a harmonious integration of governance system, business growth, and societal value.

II. Embracing the AI Revolution to Co-build a Smart Energy Ecosystem

With global digitalization accelerating and AI computing demands soaring, North America's data center sector is riding a wave of unprecedented expansion. Next-generation computing power infrastructure, exemplified by Artificial Intelligence Data Centers (AIDC), imposes higher requirements on energy systems for reliability, responsiveness, flexibility, and sustainability. Drawing upon our extensive experience in oil and gas development and energy equipment manufacturing, we have established a "Gas-to-Power" solution spanning the full value chain—from gas source treatment, gas pressurization, clean power generation and intelligent regulation. This enables the provision of tailored, low-carbon, integrated energy solutions across diverse scenarios. Our successful entry into the data center sector, marked by multiple gas turbine generator contracts, underscores our commitment to powering technological transformation with clean and abundant energy. Guided by a steadfast green development philosophy, we continue to deepen our engagement in the low-carbon energy sector, delivering more reliable and intelligent energy infrastructure while co-creating a sustainable, forward-looking smart energy ecosystem.

III. Upholding Open Collaboration to Foster Shared Prosperity

We maintain an open mindset, creating opportunities through collaboration and jointly addressing challenges with global partners. While consolidating our industrial leadership in the Chinese market, we actively respond to the "Belt and Road Initiative", deepening collaboration with partners across the Middle East, Central Asia, and beyond to jointly advance high-quality, sustainable development within the energy sector. By signing strategic cooperation agreements on gas turbines with internationally renowned companies such as Siemens, Baker Hughes, and Kawasaki, we are forging a resilient supply chain while collaborating with global partners to jointly create value.

IV. Prioritizing Safety in Protection to Safeguard Employee Wellbeing

Consistently adhering to the HSE principle of "Safety First", we place employee occupational health and safety at the forefront of our operations, ensuring that safety permeates every aspect of production and operational activity. We continue to invest in safety production, improve safety management systems, and enhance safety education and training to elevate overall safety levels. Through daily hazard checks, emergency drills, and various safety activities, we strengthen employees' safety production awareness. Coupled with policies and systems such as the HSE Assessment and Incentive Management Regulations, we empower every employee to participate in safety management to constantly reduce occupational risks and foster a safe, reassuring, and healthy environment. Anchored in a "people-first" philosophy, we respect all employees regardless of nationality, culture, race, gender, or age, unequivocally rejecting all forms of enslaved labor, forced labor and child labor. On our journey toward internationalization, we actively prompt multi-cultural integration and employee happiness and sense of belonging to the corporate culture through annual gatherings, sports events, and International Women's Day activities. Together with our employees, we move forward toward a better tomorrow.

V. Moving Forward with Goodwill to Fulfill Social Responsibility

Guided by the principle of "To be a responsible individual", we fulfill our societal responsibilities with a spirit of generosity. Initiatives such as the "Employee Care Fund" and "Family Open Day" ensure that the fruits of enterprise growth benefit employees and their families. In 2025, under the leadership of Chief Founder Mr. Sun Weijie, with joint contributions from Founders Mr. Wang Kunxiao and Mr. Liu Zhenfeng, the "Public Welfare Foundation" was established, creating a multidimensional charity and public welfare network with a wider coverage, contributing to community education, critical healthcare, and other public welfare initiatives. Meanwhile, we actively practice community responsibility in our overseas locations through activities such as visiting nearby villages and supporting orphanage schools, endeavoring to extend warmth and goodwill to every corner of our operations.

With the wind and tide on our side, we are called to sail with courage; and with immense responsibilities ahead, we must advance with unwavering resolve. At this pivotal juncture, we will continue to be guided by the principles of sustainable development, strengthen our foundations through governance optimization, expand our horizons through business breakthroughs, and demonstrate social commitment with sincerity and warmth. Together with our global partners and dedicated employees, we move forward to shape a promising future!



Jerrell Group, Chairman Li Zhiyong

About Jerell

Company Overview

1999	24	7,000+	70+
Establishment date	first-level subsidiaries	employees	countries and regions worldwide

Founded in 1999, Yantai Jerell Oilfield Services Group Co., Ltd. (Stock Code: 002353.SZ) is a global listed company that focuses on high-end equipment manufacturing, oil and gas engineering and technical services, oil and gas field development, and new energy and recycling sectors. The Company has 24 first-level subsidiaries with more than 7,000 employees. The Company continues to deepen its operations in traditional oil and gas sectors while actively expanding into new energy and environmental protection industries. It now owns ten major industrial parks, including petroleum equipment manufacturing, natural gas equipment manufacturing, oilfield engineering and technical services, and new energy anode materials, and has established global branches or offices in more than 50 cities, promoting products, services, and integrated solutions to over 70 countries and regions worldwide.



Industrial Layout

Oil Segment

Oilfield Equipment: We provide customers with a full range of oilfield development solutions and continuously develop cutting-edge products based on unconventional energy development, covering more than 170 kinds of equipment: cementing, fracturing, coiled tubing equipment, nitrogen generation and pumping equipment, high-pressure fluid products etc.

Oil & Gas Field Services: Main businesses include smart oilfield solutions, geological and reservoir research services, integrated drilling and completion, stimulation, oil recovery, operation and maintenance management, downhole tools, etc. Jerell is the first oil service company in China that has passed the API Spec Q2 Certification.

Oil & Gas Engineering: Jerell focuses on oil & gas field surface engineering, gas processing and LNG engineering, natural gas gathering, transportation, storage, and combined energy. We provide integrated solutions from feasible plan, engineering design, procurement, to equipment manufacturing, construction management, start-up, operation and maintenance.

Oil & Gas Development: Jerell holds four major oil and gas field blocks in Canada and Iraq, covering a total area of approximately 160,620 acres. These blocks are designated for the development of unconventional tight shale oil and gas resources, with total recoverable reserves estimated at around 1 billion barrels of oil equivalent.

Oilfield Digitalization: Providing intelligent solutions for the global oil and gas industry, covering the entire chain from exploration and development to production and operations, empowering the industry to achieve efficient and secure digital transformation.

Environmental Equipment: Jerell has independently developed and manufactured high-end, stable, efficient and smart equipment for environmental protection while promoting technology innovation, in addition to providing customers with cleaner and more efficient integrated solutions.

Natural Gas Segment

Natural Gas Equipment: Covering the full natural gas industry chain, its business covers products including natural gas boosting equipment, natural gas regulating equipment, process equipment. These products are widely used in gas storage injection and withdrawal, pipeline boosting, gas processing, fuel gas boosting, acid gas injection, biogas, CBM transportation, CNG stations, LNG plants, associated gas power generation, CBM power generation, refrigerant compression, and chemical applications.

Data Center & Power Segment

Power: Building a comprehensive capability system of Power Equipment + Power Services + Customized Solutions, we deliver highly reliable and adaptable power products and solutions for diverse industries such as data center, oil and gas fields, industrial manufacturing, municipal emergency power, and marine & offshore engineering.

New Energy

Anode Materials: Focus on the development of key anode materials for new energy batteries, improving battery quality through exploration of basic materials and breakthroughs in key equipment technologies.

Lithium-ion Battery Recycling: Independently develop integrated lithium battery recycling solutions, promoting intelligent, green, and standardized development, and an integrated development of the industrial chain.

Wind Turbine Blade Recycling: Committed to deliver innovative solutions for the efficient recycling and sustainable reuse of decommissioned wind turbine blades, fostering a green, efficient, and scientific industry ecosystem for the circular economy of wind materials.

Photovoltaic Module Recycling: Committed to deliver innovative solutions for the efficient recycling and sustainable reuse of all components from decommissioned photovoltaic modules, fostering a standardized and intelligent industry ecosystem for the circular economy of photovoltaic materials.

Corporate Culture

In the growth journey of Jereh Group, corporate culture serves as a spiritual bond connecting every employee, and directs the development path of the Company like a navigation lighthouse. Jereh's corporate culture not only profoundly influences the thinking and behavior of every Jereh person, but also continuously leads the Company towards the vision of "to be an enterprise respected by people all around the world".

Core Values	Focus on customer needs, value employees' dedication, self-reflection, and continuously strive to be the best.
Our Purpose	Creating value for customers, generating wealth for society, offering opportunities for employees, delivering returns for investors, and ensuring growth for Jereh's future.
Our Mission	Focus on customers' challenges and pressures, and provide competitive solutions that create maximum value for them.
Our Goal	Build an international brand and achieve a century of excellence for Jereh!
Our Vision	To be an enterprise respected by people all around the world.
Our Spirit	Always look forward. Never give up. Nothing is impossible.
Our Credo	Doing well requires dedication. Opportunities come with effort. No pain, no gain.
Quality Strategy	Strive to create perfect quality with passion and dedication. Make improvement step by step each day.
Talent Philosophy	Always Seek the Most Outstanding People.
Service Philosophy	Focus on customer needs, and be dedicated to exceeding customer expectations!
Market Philosophy	The market does not believe in tears! Only results matter.
HSE Philosophy	Safety always comes first!
Compliance Principles	Integrity is the essence of compliance. Compliance creates value. Compliance operation is the guarantee of Jereh's sustainable development. Compliance is the bottom line of business operation, and always comes in the first place in case of any conflicts between business and compliance.

Development History



Annual Honors



Jereh Group

- | | |
|--|--|
| <p>Top 100 Global Innovators
LexisNexis</p> | <p>China Brand Value Ranking – 16th in Machinery Manufacturing
China Council for Brand Development</p> |
| <p>Investor Relations Management Best Practices for Listed Companies
China Association for Public Companies</p> | <p>Outstanding Contribution Enterprise for High-Quality Development of Private Economy in Shandong Province
Shandong Development and Reform Commission Industry and Information Technology Department of Shandong Province</p> |
| <p>Top 200 Private Enterprises in Shandong
Federation of Industry and Commerce of Shandong Province</p> | <p>Top 100 Innovative Private Enterprises in Shandong
Federation of Industry and Commerce of Shandong Province</p> |
| <p>Top 100 Private Enterprises for Employment Contribution in Shandong Province
Federation of Industry and Commerce of Shandong Province</p> | <p>Tianma Award for Investor Relations Management
Securities Times</p> |
| <p>Golden Bull Award for Listed Companies - Most Valuable Investment Award
China Securities Journal</p> | <p>Golden Bull Award for Listed Companies - Golden Information Disclosure Award
China Securities Journal</p> |
| <p>Guoxin Cup · ESG Golden Bull Award Top 100
China Securities Journal</p> | <p>Quanjing Investor Relations Gold Award – Outstanding IR Company
p5w.net</p> |
| <p>Quanjing Investor Relations Gold Award – Outstanding Market Value Management Award
p5w.net</p> | <p>Quanjing Investor Relations Gold Award – Outstanding Institutional Investor Attention Award
p5w.net</p> |
| <p>Quanjing Investor Relations Gold Award – Outstanding Small and Medium Investor Concerns Award
p5w.net</p> | <p>"SSE Eagle · Gold Quality" ESG Award
Shanghai Securities News</p> |
| <p>Golden Dawn Award ESG Practice Award
Securities Market Weekly</p> | <p>2025 Virtuous Enterprise Towards a Bright Future</p> |

Jereh Equipment

- | | |
|---|--|
| <p>China Brand Value Ranking – 2nd in Independent Innovation
China Council for Brand Development</p> | <p>2025 "Morning Star Factory" in Shandong's Digital Economy
Industry and Information Technology Department of Shandong Province</p> |
| <p>2024 Yantai City Science and Technology Innovation Achievement Competition First and Second Prizes in Science and Technology Progress
Yantai Municipal Government Office</p> | |

Jason Energy

- | | |
|--|--|
| <p>2025 "Morning Star Factory" in Shandong's Digital Economy
Industry and Information Technology Department of Shandong Province</p> | <p>Yantai Green Factory
Yantai Municipal Bureau of Industry and Information Technology</p> |
|--|--|

Jereh Oil & Gas Engineering

- 16th Industrial Construction Gold Award of the Kuwait Society of Engineers
Tamilnadu Engineers Forum(TEF)



Performance Highlights

Business Performance

Formally signed the DQSP storage gas centrifugal compressor supply contract, amounting to over RMB **500** million

Signed a localization manufacturing cooperation agreement for high-end equipment products with ADNOC Drilling, deepening the cooperative relationship

Signed gas turbine generator set sales contracts with two clients in North America, with a cumulative contract value exceeding USD **200** million

Won the Brunei onshore natural gas receiving terminal general contracting project, with a project value exceeding USD **100** million

Environmental Performance

Environmental investment **1,514.05** RMB 10,000

GHG emission intensity **0.0327** tCO₂e/RMB 10,000 revenue

Synchronized operation rate of environmental facilities **100**%

Incidents of Violation of Laws and Regulations in the Environmental Field **0** Case

Total GHG emissions **53,070.96** tCO₂e

Conforming rate observed in pollutant monitoring **100**%

Compliance rate of "three simultaneities" in environmental protection for construction projects **100**%

Governance Performance

General Meeting of Shareholders **3** Times

Legal Training **32** Times

Board of Directors **11** Times

Business Ethics Violations **0** Case

Compliance Training **218** Times

Social Performance

Investment in R&D **55,109.99** RMB 10,000

Investment in work safety **3,820.68** RMB 10,000

Social Insurance Coverage Rate **100**%

Total Number of Patents Granted **2,122** case

Percentage of female employees **12.57**%

Number of Employee Training Sessions **2,912** Session

Sustainable Development Governance

Response to SDGs Goals

SDGs	Our Actions	Our Planning
	Rely on oil and gas/new energy equipment supply chain cooperation to drive local employment expansion among suppliers and activate regional industrial support vitality.	Deepen cooperation with small and medium-sized suppliers in underdeveloped areas, providing production skills training to help stabilize their operations and increase income.
	Participate in regional development support through public welfare and charitable activities, contributing to the improvement of local living and development environments.	Expand long-term engagement models for public welfare and charity, building sustainable collaboration channels with supported regions.
	Provide employees with annual health checkups and workplace health protection resources, and conduct occupational health knowledge awareness activities.	Upgrade the workplace health service system, extending professional guidance and support for employees' physical and mental well-being.
	Establish an internal talent development system, carry out various skills training programs, and enhance employees' professional capabilities and overall competence.	Optimize internal training resources and improve the full-cycle employee growth and development mechanism.
	Implement gender-neutral recruitment and promotion mechanisms, and carry out female employee career development empowerment programs.	Introduce leadership development courses for female employees, expanding support systems for management positions.
	Optimize water circulation processes in production, improving industrial water recycling efficiency.	Upgrade water-saving facilities in production areas, continuously optimizing the management of water reuse and recycling.
	Increase investment in clean energy equipment R&D to support customers' low-carbon operations; promote energy efficiency upgrades in plant areas.	Explore the application of distributed clean energy facilities in plants, increasing the share of clean energy usage in operations.

SDGs	Our Actions	Our Planning
	Establish a fair compensation system and multi-dimensional employee promotion channels, ensuring compliant working conditions.	Optimize skill-based incentive mechanisms, promoting stable employment opportunities along the upstream and downstream of the industrial chain.
	Adhere to the "product leadership" strategy, tackling core technologies in oil and gas/new energy equipment and upgrading product performance.	Continuously advance technological innovation, expand new energy material R&D, and upgrade intelligent production facilities.
	Ensure equal workplace opportunities for employees and optimize the fair cooperation rules system with suppliers.	Provide flexible cooperation support to small and medium-sized suppliers and conduct supply chain collaborative capability enhancement training.
	Participate in industry discussions on green transformation, supporting low-carbon development practices across the industry.	Carry out environmental protection and public welfare activities in surrounding communities, promoting low-carbon living and green development concepts.
	Optimize production energy consumption and waste discharge management, incorporating low-carbon indicators into supplier evaluation criteria.	Establish product low-carbon management records, improving recycling and reuse of production materials.
	Develop low-emission equipment products and promote plant energy-saving and carbon-reduction technology upgrades.	Set annual low-carbon action targets and improve corporate climate management guidelines.
	Strengthen full-process control of production wastewater to ensure compliant discharge.	Upgrade advanced wastewater treatment facilities, promoting near-zero pollution management practices for production wastewater.
	Participate in the R&D and application of oil sludge resource utilization and soil ecological remediation technologies, contributing to ecological improvement of contaminated sites.	Expand the collaborative application scenarios of soil ecological remediation technologies, deepening cooperation in ecological governance.
	Adhere to compliant operations and improve internal management systems such as intellectual property and information security.	Enhance ESG information disclosure mechanisms, improve corporate governance transparency, and eliminate all forms of corruption and bribery.
	Collaborate with clients and suppliers to promote low-carbon equipment application and participate in industry sustainable development exchanges.	Deepen the green supply chain along the upstream and downstream of the industry, regularly publish ESG reports, and engage in multi-party communication.

Sustainable Development Philosophy

Jereh Group takes sustainable development as a long-term orientation, actively responding to development trends, formulating and dynamically revising the *Environmental, Social, and Corporate Governance (ESG) Management System*, adhering to the sustainable development concepts of innovation, coordination, greenness, openness, and sharing, and systematically promoting the implementation of environmental protection, social responsibility, and corporate governance practices. At the same time, the Company respects and protects the rights of stakeholders throughout its operations, continuously improves internal control and risk management systems, enhances the standardization and transparency of information disclosure, thereby promoting the harmonious integration of economic and social benefits, and advancing the Company toward sustainable, high-quality development.

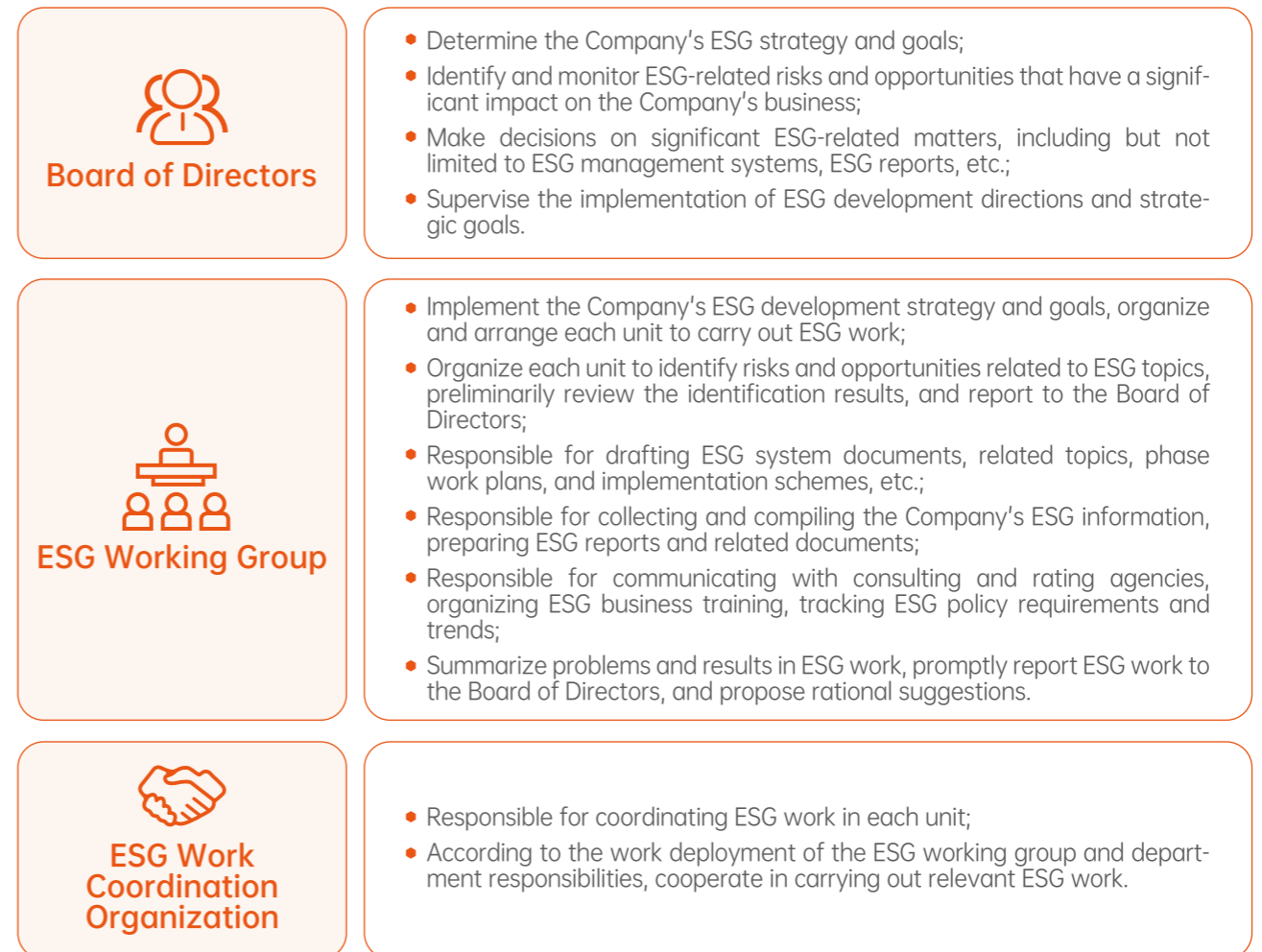
Jereh Group's Sustainable Development Philosophy



Sustainability Governance Structure

To efficiently implement sustainable development strategic planning, Jereh Group has established a three-tier ESG management structure with clear responsibilities and hierarchical management. The Board of Directors leads ESG strategic decision-making, the ESG working group coordinates implementation, and each functional department and subsidiary executes specific tasks. With clear hierarchical division and efficient coordination, the Company achieves full-chain integration from top-level design to frontline practice, effectively translating sustainable development vision and stakeholder commitments into compliant, actionable practices.

ESG Management Structure and Responsibilities



Sustainable Development Risk Identification

Based on its development strategy and actual operational scenarios, Jereh Group integrates ESG factors into the comprehensive management framework, systematically identifying and assessing ESG-related risks and opportunities, formulating and implementing corresponding control measures, creating a management loop from risk identification to effectiveness improvement, thereby strengthening proactive ESG risk management and forward-looking deployment capabilities.

In 2025, the Company has preliminarily completed core ESG risk identification, including response to climate change, environmental management, pollutant emissions, R&D and innovation, product quality, supply chain sustainability, occupational health, and safety production. The identification of various risks and opportunities is detailed in the corresponding sections below.



Sustainable Development Capability Enhancement

Professional Competence

Jereh Group focuses on cultivating ESG professional competence and practical capabilities by organizing ESG-specific training, trend interpretation, internal interviews, and report preparation workshops, continuously enhancing employees' understanding and recognition of sustainable development strategies, deeply integrating ESG into job responsibilities and business processes, and promoting full conversion from ESG awareness to action.

Jereh Group's 2025 ESG Report Kick-off Meeting and Annual ESG Training

In November 2025, the Company convened the 2025 ESG report project kick-off meeting and annual ESG training, calling for participation by heads of all business units. The meeting focused on ESG policy interpretation, market trends and risk alerts, industry practice discussions, and company status analysis, systematically enhancing ESG awareness, practical application, and data management capabilities of key personnel to ensure high-quality and professional ESG work.



ESG Report Project Kick-off Meeting and Annual ESG Training

Case

Brand Influence

Jereh Group continuously communicates externally, adhering to high-quality information disclosure, actively responding to investor concerns, and integrating sustainable development into corporate operations, forming a complete system from internal governance to external recognition, from concrete practice to value transmission. During the reporting period, the Company received multiple honors for solid ESG practice achievements, including "Outstanding Sustainable Development Practice Case of Listed Companies 2025 by the China Listed Companies Association", "SSE Eagle Gold Quality ESG Award", "Guoxin Cup ESG Golden Bull Award Top 100", "2025 Best ESG Practice Award for Listed Companies", and "For Good Awards 2025 Virtuous Enterprise", gaining high recognition from capital markets and the industry for its ESG effectiveness, further highlighting the Company's benchmark role and brand influence in ESG.



Guoxin Cup ESG Golden Bull Award Ceremony

Performance Appraisals

While continuously improving the ESG governance structure, Jereh Group explores mechanisms linking ESG indicators with compensation and performance evaluation. The Company has incorporated key ESG indicators, such as response to climate change, environmental compliance management, and occupational health and safety, into senior executives' personal performance commitments, with corresponding scoring standards, achieving coordinated assessment and incentives, further strengthening management's sustainable development responsibilities, and ensuring effective implementation of ESG strategies and objectives.

Communications with Stakeholders

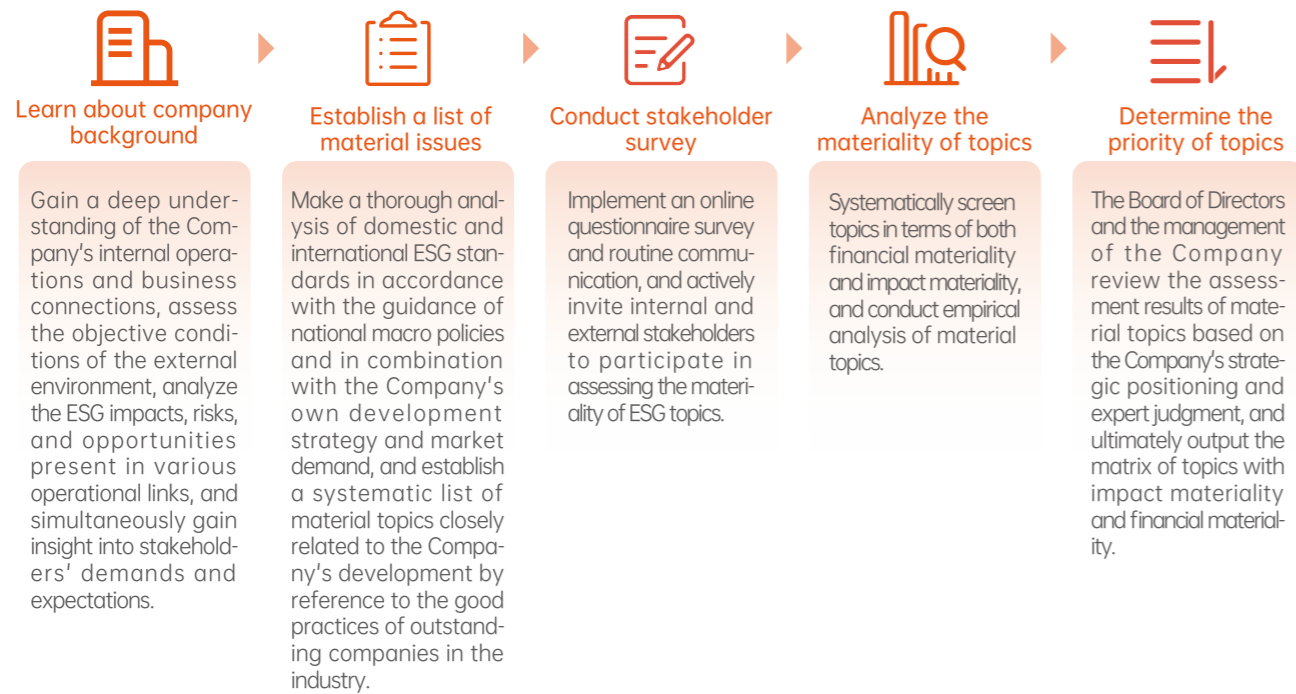
Jereh Group values communication with stakeholders and has established a normalized, multi-dimensional communication mechanism. During the reporting period, the Company strictly followed international standards such as GRI and AA1000 Stakeholder Engagement Standards, continuously broadened communication channels, innovated dialogue forms, fully responded to stakeholder expectations and requirements, absorbed suggestions, promoted consensus, and achieved more efficient and inclusive sustainable communication.

Stakeholders	Communication Channels	Concerns	Countermeasures
Customers	Customer satisfaction survey Daily Visits/Communication	Product quality High-Quality Service Information Protection Innovation-driven	Enhance product quality Customer Satisfaction Management Protecting Customers' Privacy Promote scientific research and innovation
Shareholders or Investors	irm.cninfo.com.cn General meeting of shareholders Information disclosure Official website WeChat Official Account Investor relations events Investor Hotline & Email	Safeguarding stakeholders' rights and interests Risk Management Information Disclosure Return and Growth	Conduct investor relations activities Optimize risk governance structure Enhance information disclosure Promote performance growth continuously
Employees	Employee Interaction Forum Employee Appraisal Employee activities	Career Development Humanistic care Compensation and benefits Occupational Health and Safety	Establish multi-channel career development system Employee support Formulate a scientific remuneration system Implement regular medical check-ups and safety production
Suppliers	Supplier assessment On-site audits Daily communication	Win-win cooperation Supply chain management Transparent procurement	Facilitate exchanges and visits Improve supply chain system Compliant procurement
Governmental or regulatory agencies	Supervision and inspection Visitor Reception	Promotion of local development Paying taxes in accordance with law Compliant operations Business ethics and anti-corruption	Respond to national policy calls Pay taxes actively Practice integrity and compliance management Conduct anti-corruption and integrity management
Community and the Public	Welfare activities	Environmental management Public welfare and charity Community development and support	Promote green development Enthusiastically participate in public welfare Actively engage in community construction
Media	News reports Media interviews	Information disclosure Smooth communication	Make timely disclosure of information through official channels Establish a media communication system

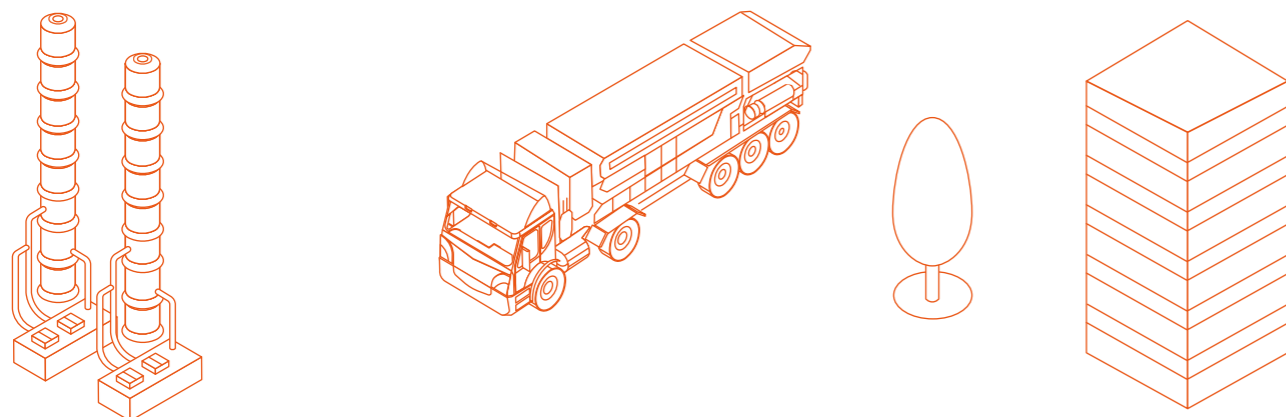
Management of Material Topics

In accordance with domestic and international ESG disclosure standards such as the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (for Trial Implementation)*, and in combination with internal development strategy, Jereh Group, starting from the dual assessment perspectives of impact materiality and financial materiality, carried out online questionnaire surveys and routine communication to provide in-depth insights into the needs of stakeholders and identify material topics.

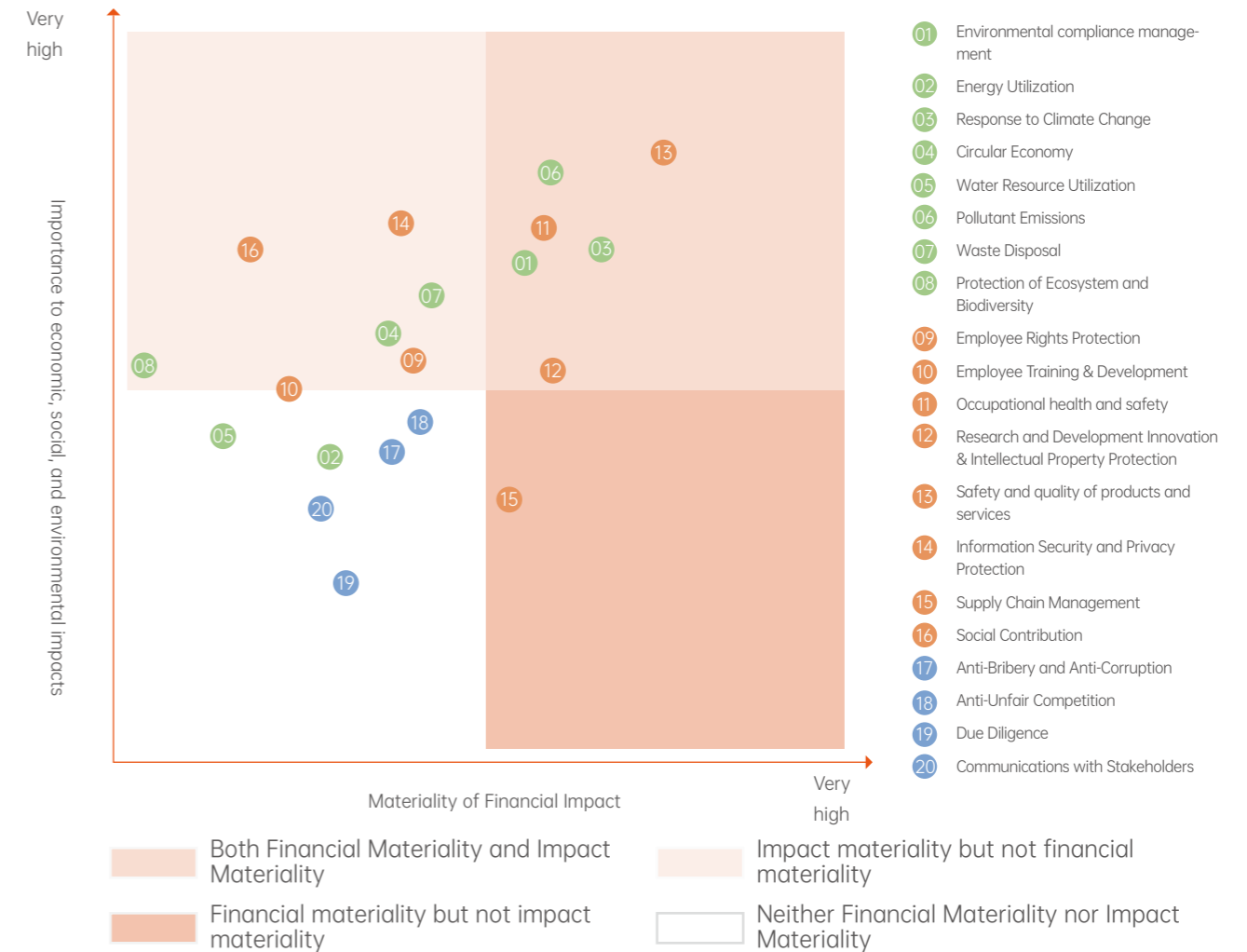
Steps to Identify Material Topics



During the reporting period, the Company comprehensively considered business layout, operational models, industry trends, and focus areas, continuously tracked stakeholder feedback, applied expert evaluation for comprehensive judgment, and confirmed that material issues remained consistent; the 2025 ESG materiality matrix remains unchanged from the previous reporting period.



ESG Matrix of Material Topics



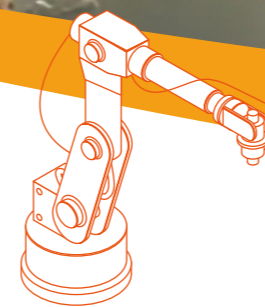
Impact Materiality	Topics
Double Materiality	Environmental Compliance Management, Response to Climate Change, Pollutant Emissions, Occupational Health and Safety, R&D and Innovation, Protection of Intellectual Property Rights, Safety and Quality of Products and Services
Financial Materiality Only	Supply Chain Management
Impact Materiality Only	Circular Economy, Waste Treatment, Protection of Ecosystem and Biodiversity, Protection of Employees' Rights and Interests, Employee Training and Development, Information Security and Privacy Protection, Contribution to Society
General Materiality	Energy Utilization, Water Utilization, Anti-Commercial Bribery and Anti-Corruption, Anti-Unfair Competition, Due Diligence, Communication with Stakeholders



Anchoring Sustainability Through Solid Governance

Jereh Group continuously improves its governance structure and risk management system, ensuring compliant business operations, accurate and complete information disclosure, smooth investor communication, strict adherence to business ethics, and a robust anti-corruption risk control loop, thereby reinforcing a stable, transparent, and efficient corporate governance foundation and systematically advancing governance modernization.

Responded UN Sustainable Development Goals (SDGs):

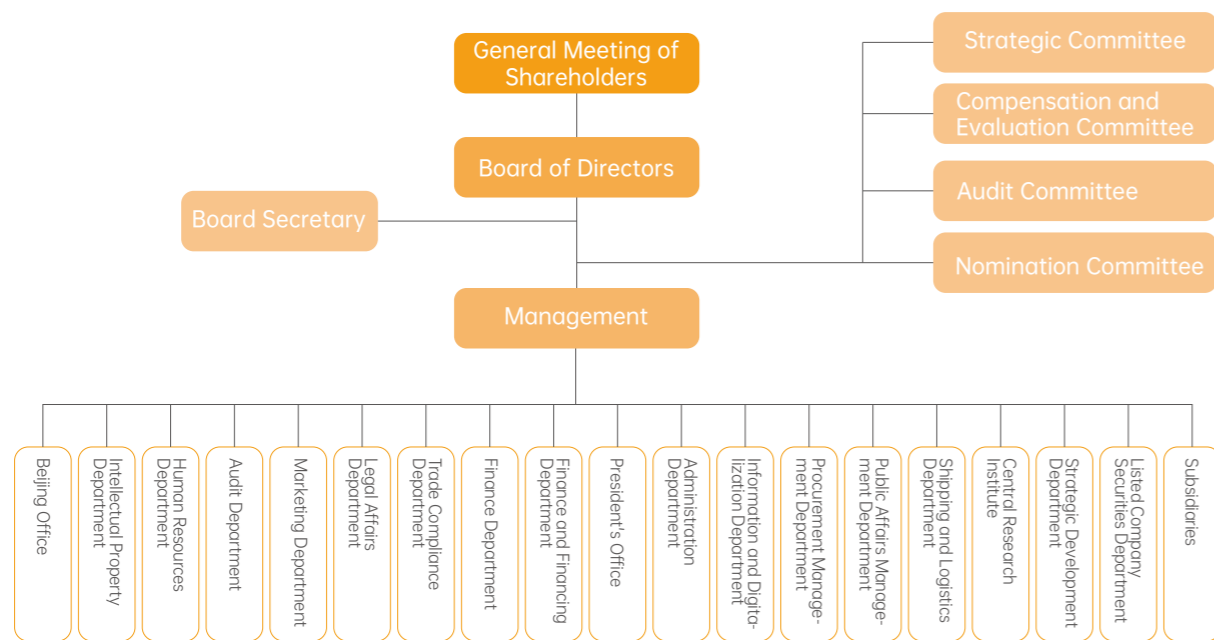


Establishing a Governance System

Governance Structure

Jerrell Group strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, *Guidelines for the Articles of Association of Listed Companies*, and *Transitional Arrangements for the Implementation of Supporting Rules for the New Company Law*, and in October 2025 comprehensively optimized and adjusted its governance structure by abolishing the Supervisory Board, transferring its supervisory functions to the Audit Committee of the Board of Directors, and revising the *Articles of Association*, *Rules of Procedure for Shareholders' Meeting*, *Rules of Procedure for the Board of Directors*, *Audit Committee Rules*, and other special committee rules to clarify responsibilities and standardize procedures.

Simultaneously, the Company systematically revised 29 regulations, including the *Internal Audit System*, *Work System for Independent Directors*, and *ESG Management System*, and established the *Delayed or Exempted Information Disclosure Management System* and *Director and Senior Management Resignation Management System*, supplementing financial audits, compliance inquiries, and executive exit audits to ensure supervisory functions remain effective, procedures uninterrupted, and the governance structure transitions smoothly while advancing toward professionalization, precision, and efficiency, thus solidifying the regulatory foundation for compliant operations.



Functional Department Organization Chart

Board of Shareholders

The Shareholders' Meeting, as the Company's highest authority, is convened in strict accordance with the *Articles of Association* and *Rules of Procedure for Shareholders' Meeting*, treating all shareholders equally and ensuring that minority investors are informed, can participate, and exercise voting rights, thereby safeguarding shareholders' lawful exercise of core rights and providing a standardized decision-making mechanism for major corporate decisions.

Key Performance

Held **3** Shareholders' Meetings

Passed **30** proposals

Board of Directors

The Board of Directors, as the Company's decision-making body, is accountable to the Shareholders' Meeting. The Board has four specialized committees—Strategy, Remuneration and Assessment, Audit, and Nomination—and has established *Rules of Procedure for the Board Meetings* and committee-specific rules to ensure standardized operations.

Regarding board independence, the Company established the *System of Work of Independent Directors*, specifying qualifications and independence requirements for independent directors. By the end of the reporting period, the Board had three independent directors; during the period, they effectively performed supervisory and advisory duties, with no incidents of related-party transactions harming the Company or minority shareholders' interests.

In terms of board diversity, the Company established a systematic director selection mechanism, evaluating candidates based on professional expertise, industry experience, gender, and cultural background. By the end of the reporting period, the Board comprised nine directors, with one-third female representation, covering economics, law, computer science, business administration, mechanical engineering and automation, and financial management, providing diverse perspectives and professional support for board decisions.

Key Performance

Held **11** board meetings, passing **85** proposals

Held **1** strategy committee meeting, passing **1** proposal

Held **1** remuneration and appraisal committee meeting, passing **2** proposals

Held **7** audit committee meetings, passing **12** proposals

Held **2** nomination committee meetings, passing **4** proposals

Regulating Compensation Management

Jerrell Group standardizes the management of executive compensation through the Remuneration and Appraisal Committee, establishing a transparent and reasonable incentive and restraint mechanism. Independent directors receive fixed allowances, while non-independent directors and senior executives adopt a "base salary + performance bonus" structure, with some variable compensation linked to company financial and HSE target achievements.

Refining Investor Relations Management

Information Disclosure

Jerrell Group strictly complies with information disclosure laws and regulations, formulating internal rules such as the *Information Disclosure Management Measures*, *Insider Information and Insider Registration Management System*, and *Information Disclosure Suspension and Exemption Management Measures*, establishing a comprehensive information disclosure framework. The Company designates the chairman as the primary responsible person for information disclosure and the board secretary as the main responsible officer, ensuring truthfulness, accuracy, and completeness of disclosures, effectively safeguarding investors' equal access to information.

Through high-quality disclosure and standardized corporate governance, the Company has consecutively received an "A" rating in the Shenzhen Stock Exchange annual disclosure evaluation for six years and won the "Golden Information Disclosure Award of Golden Bull Award for Listed Companies". During the reporting period, the Company had no incidents of disclosure violations, insider information leakage, or insider trading, and did not face any penalties.

Key Performance

A total of **196** announcements and documents were disclosed throughout the year

6 periodic reports and summaries

168 interim announcements and documents

22 investor relations activity record forms

Public Opinion Management

To effectively manage reputational risk in the capital market, Jereh Group has established a public opinion management system and formulated the Public Opinion Management System. A dedicated leadership group manages public opinion, establishing standardized procedures for major events that may cause or have caused abnormal stock price fluctuations, including rapid investigation, formulation of handling plans, timely clarification via compliant channels, accountability implementation, and communication with media and investors for a fast and transparent response to maintain market fairness, stability, and the Company's reputation and shareholder rights.

Investor Relations Management

Jereh Group values investor relations management, establishing systems such as the *Investor Relations Management System* and *Measures for the Administration of Institutional Research Reception*, leveraging diversified communication channels to maintain transparent and trusting interactions with investors. The Company continuously holds performance briefings, investor research activities, and other initiatives to convey corporate value, enhance market understanding and recognition, and improve the depth and effectiveness of investor relations management. During the reporting period, the Company received multiple honors, including "Best Practices in Investor Relations Management for Listed Companies", "Tianma Award for Investor Relations Management", "Most Investment-worthy Award of Golden Bull", "Outstanding IR Company", and "Outstanding Market Value Management Award".

Key Performance

Held **1** online performance briefing for 2024
 Participated in **1** online collective reception day for listed companies in Shandong in 2025
 Conducted **5** telephone briefings
 Hosted **27** on-site investor research visits
 Replied to **188** investor questions on irm.cninfo.com.cn, with a response rate of **100%**



Investor Relationship Management Part Awards

Case

Investor Research Activities

In June 2025, the Company hosted investor research activities, welcoming over 20 investors for discussions. Management held open, in-depth dialogues on business strategy and market layout, and accompanied investors for on-site campus visits, further enhancing understanding of business barriers and long-term value, achieving effective two-way communication.



Investor Field Visits and Surveys

Protection of Shareholders' Rights and Interests

Jereh Group is committed to sharing development outcomes with shareholders and establishing a diversified return mechanism focused on co-created value. The Company established a continuous, stable, and scientific long-term return mechanism following the *Shareholder Return Plan for the Next Three Years (2024-2026)*, using share repurchases, employee stock ownership plans, and management share purchases to strengthen interest alignment among shareholders, employees, and the Company. During the reporting period, the Company steadily advanced the 2025 share repurchase plan. As of the reporting period end, a total of 3.1257 million shares were repurchased, amounting to RMB 109 million (excluding transaction fees).

Additionally, the Company formulated and implemented the *Management System for Preventing Major Shareholders and Related Parties from Misappropriating Listed Company Funds* to eliminate non-operational fund occupation risks and ensure substantive protection of shareholder rights.

Year	2022	2023	2024
Cash Dividends (excluding repurchases)	RMB 337.87 million	RMB 498.80 million	RMB 829.32 million
Annual Dividend Payout Ratio	15.05%	20.32%	31.57%

Stabilizing Debt Management

Jereh Group adheres to contractual commitments with creditors, promptly reporting material information that may affect creditor rights, ensuring timely debt repayment, and maintaining stable, trusting relationships with creditors. Through prudent financial policies, the Company strengthens fund allocation and internal controls, strictly implements budget management and risk early-warning mechanisms, safeguarding asset and fund security, and protecting creditors' lawful rights.

Optimizing Risk Management

Compliant Operations

Compliance Management System

Jerrell Group establishes a comprehensive compliance management system covering trade, legal, and operational compliance, embedding compliance requirements into business processes through institutionalized, procedural, and digital means. The Company has set up a compliance committee as the highest decision-making and coordination body for compliance governance; implements a "top leader responsibility system" with hierarchical signing of *Commitment to Compliance*; and deploys compliance representatives across business units to ensure accountability.

Level	Department/Committee	Members	Responsibilities
Highest Decision-making Level	Compliance Committee	Director: Company Founder and Director Committee Members: Compliance Director, Company President	<ul style="list-style-type: none"> Listen to/Review the Company compliance report Supervise the compliance work of managers in various company units, assess its adequacy and effectiveness Make decisions on major compliance issues and systems
Supervisory Department	Trade Compliance Department	Compliance Director, Compliance Officer	<ul style="list-style-type: none"> Compliance Culture Construction Build and continuously improve the system and process management framework Continuously monitor external policy changes, carry out risk analysis and early warning work Supervise and improve the implementation of compliance management system measures and business compliance
Subsidiaries	Subsidiaries	Subsidiary Head	<ul style="list-style-type: none"> Sign the Commitment to Compliance, and act as the first responsible person for compliance work in this subsidiary
Execution Level	Subsidiaries	Subsidiary Compliance Representative	<ul style="list-style-type: none"> Participate in meetings, communication records, regular reporting, promote the implementation of compliance systems and requirements within the Company

Organizational Structure for Compliance Management

Compliance Management Measures

Trade Compliance	Based on the <i>Trade Compliance Management System</i> , the Company embeds mandatory compliance requirements into business processes and specifies operational norms for different scenarios, using systematic controls and routine monitoring to ensure all business complies with domestic and international trade laws.
Legal Compliance	The Company sets up a legal department. Relying on the <i>Contract Risk Control Management System</i> , it fulfills core responsibilities such as legal risk identification, protection of trade secrets, and dispute resolution, providing full-process legal support for business operations.
Business Compliance	The Company prepares an <i>Employee Handbook</i> and conducts systematic training to enhance compliance awareness among all employees; establishes and improves violation reporting, investigation, and corrective prevention mechanisms, promoting a shift from reactive to proactive compliance management.

Key Performance

Legal training sessions:
32

Legal training hours:
50

Legal training participants:
3,100



Risk Category

- Country Risk
- Transfer Risk
- Counterparty Risk
- International Export Control Risk
- Risk of Frequent Changes in the International Situation



Risk Description

- Risks from Differences in Political, Economic, and Legal Environments Between Countries
- Risks Involved in the Transfer of Funds, Technology, Products, etc.
- Risks in Cooperation with Partners, Suppliers, and Other Counterparties
- Risks from Export Control and Sanction Policies in International Trade
- Risks from Frequent Changes in International Politics, Economy, and Law



Risk Control Measures

- Real-time monitoring of external risk changes
- Timely interpretation and risk alerts
- Automated risk identification via digital processes
- Compliance personnel review and control risks
- Third-party screening software for risk monitoring

Trade Compliance Risk Identification

Compliance Culture Construction

Jerrell Group systematically promotes compliance culture cultivation, preparing annual compliance culture construction plans, adopting both online and offline methods, combining routine and special education, and using multiple channels such as compliance bulletins, official accounts, and knowledge competitions to continuously educate employees and foster a compliance culture.

The Company organizes annual all-employee compliance training, quarterly specialized training, and new employee onboarding compliance training. Training covers policy interpretation, case analysis, and practical guidance, with key positions required to pass annual compliance assessments, aiming to enhance compliance awareness and capability.

Key Performance

Compliance training sessions:
218

Compliance training hours:
209

Compliance training participants:
6,379

Import and Export Compliance Management

Jerrell Group implements end-to-end compliance control for import and export business based on the Trade Compliance Management System. The Company strictly prohibits business dealings with fully sanctioned countries and enforces mandatory pre-approval for transactions involving partially sanctioned countries. Through standardized processes such as counterparty screening, sanctioned country or region screening, end-use and item checks, economic sanctions verification, red-flag warnings, and compliance risk rating, the Company systematically identifies and prevents risks.

Compliance review procedures are established at key nodes including opportunity assessment, contract approval, order creation, and shipment to ensure each transaction complies with domestic and international trade regulations. The Company continuously monitors changes in the international trade environment and updates country risk lists and sanctions dynamics regularly, ensuring compliant and stable import and export operations.



Import and Export Control Compliance Training On-Site

Risk Management

Risk Management System

Jereh Group follows the "Three-Line Defense" risk management model, with the Board of Directors at the core, the audit committee for supervision and guidance, and the audit department as the third-line executor, establishing a comprehensive risk management system covering finance, operations, compliance, and strategy. The audit department independently conducts risk audits, fraud checks, and internal control evaluations according to the *Internal Audit System*.

To ensure continuous effectiveness of the risk management system, the Company conducts systematic annual evaluations and issues the *Internal Control Self-Assessment Report*. Additionally, accounting firms are engaged to conduct special audits on internal control effectiveness, issuing reports to promote continuous optimization of the "risk identification–assessment–rectification–verification" closed-loop system.

Risk Control Management

Jereh Group's risk control management integrates institutional regulations, process embedding, and continuous monitoring. The Audit Department adopts a management approach focused on oversight, complemented by service, routinely carrying out risk audits and targeted inspections. For any identified internal control deficiencies, it requires the responsible departments to develop corrective action plans and ensures their execution through closed-loop monitoring.

The Company customizes risk checklists for different functional departments, establishing preemptive risk identification barriers, clarifying responsibilities for identification, assessment, and response, ensuring residual risks are tolerable, corrective actions verifiable, and business approvals accountable.

Risk Management Training

Jereh Group places great emphasis on cultivating employees' risk awareness. Targeting management and key-position staff, the Company regularly conducts specialized training covering core topics such as audit concepts and practices, internal controls, fraud prevention, and compliant business operations. Training content is continuously enhanced, formats are innovated, and effectiveness is reinforced to strengthen employees' ability to identify and respond to risks.

Key Performance

Audit training sessions: **2**

Average audit training hours per person: **12**

Audit training participants: **4**

Tax Management

Jereh Group has established a systematic tax management framework covering both domestic and overseas operations. It strictly complies with tax laws and regulations in China and abroad, and, in accordance with the *Financial System Tax Management Policy*, implements a tiered control mechanism coordinated by the Tax Center of the Finance Department and executed by each subsidiary. The Company standardizes tax-related operations through a system of policies and standardized procedures, establishing a solid foundation for tax compliance. It regularly conducts training to enhance the professional competence and risk awareness of relevant personnel, implements routine risk assessment and early-warning monitoring mechanisms, and maintains proactive communication with tax authorities. In doing so, it effectively mitigates tax risks across four dimensions—policy framework, personnel capability, dynamic monitoring, and external coordination—ensuring the legality and compliance of global tax matters.

Anti-Commercial Bribery and Anti-Corruption

Anti-Corruption Management System

To better prevent, identify, and address corruption, improve the Company's anti-corruption mechanism, and establish a culture of integrity, in 2025 Jereh Group formulated and improved the *Anti-Corruption Management System*, comprehensively covering anti-bribery, employee integrity, supplier honesty, and business partner compliance, establishing a three-tier anti-corruption management system of Audit Committee guidance, Audit Department execution, and functional departments and unit leaders' implementation, aiming to eliminate all forms of corruption and prevent integrity risks and damage to business interests. During the reporting period, neither the Company nor its employees were involved in any incidents of embezzlement, corruption, or violations of business ethics.



Functional departments conduct anti-corruption training.

In addition, the Company designated the Audit Department as the core supervisory body, fully responsible for independent supervision, investigation, and evaluation of the anti-corruption system, embedding integrity requirements throughout business management through anti-corruption training, codes of conduct, and other measures.

Anti-Corruption Supervision Measures	
Adhere to a "Zero Tolerance" Principle	Zero tolerance for any corrupt behavior; once confirmed, employment contracts are immediately terminated and recorded in personnel files; legal action is taken if laws are violated.
Establish Employee Integrity Records	Record employees' integrity and honesty performance as an important basis for promotion; employees who violate integrity or engage in corruption are vetoed, and relevant information is lawfully shared with industry and due diligence institutions.
Establish Jereh Anti-Corruption Fund	Initial investment of RMB two million, rewarding internal and external personnel who provide valid tips, and encouraging all employees to participate in anti-corruption supervision.
Conduct Special Anti-Corruption Audits	The Audit Department conducts annual anti-corruption audits for key departments and positions to strengthen process supervision and risk prevention.
Organize Jereh Anti-Corruption Week activities	Regularly organize anti-corruption themed events to cultivate a culture of integrity where employees "cannot, dare not, and do not want to engage in corruption".
Ensure Smooth Anti-Corruption Reporting Channels	Accept reports through DingTalk "Protect Jereh" module, anti-corruption hotline, email, and other channels to ensure unimpeded internal and external feedback.

Whistle-Blowing and Protection Mechanism

To strengthen oversight of corruption, Jereh Group has established an independently operating and strictly protected supervision network, providing multiple reporting channels for employees, customers, suppliers, and other stakeholders, and pledges to strictly protect the privacy and safety of whistleblowers.

Reporting Channels

- DingTalk feedback mini-program: "Protect Jereh"
- Hotline: 0535-6766706

- Reporting Email: fanwubi@jereh.cn
- Address: No.5 Jereh Rd., Laishan District, Yantai, Shandong

Report Handling

The Audit Department is responsible for receiving and investigating all reports. All verified reports are formally investigated and results are fed back to the reporter; anonymous reports are recorded and included in risk assessments. Internal and external personnel who provide valid leads or cooperate in investigations are rewarded if verified.

Protection of Whistleblowers

According to the *Anti-Corruption Management System*, the identity of whistleblowers, report content, and reward information are fully confidential to ensure the legal rights of reporters and prevent any form of retaliation.

Integrity Culture Fostering

Jereh Group regards integrity culture as a key strategic task for sustainable development, regularly conducting "Integrity Month" activities, promoting anti-corruption self-discipline culture, and organizing knowledge-based competitions to strengthen employee awareness and compliance. Additionally, the Company provides anti-bribery and anti-corruption training specifically for management, enhancing their integrity, accountability, and risk prevention capabilities, cultivating consensus on integrity, and using targeted training to prevent corruption, thereby building a strong organizational barrier against corruption at its root.



Employee Rewards for Integrity Quizzes During "Integrity Month"

Key Performance

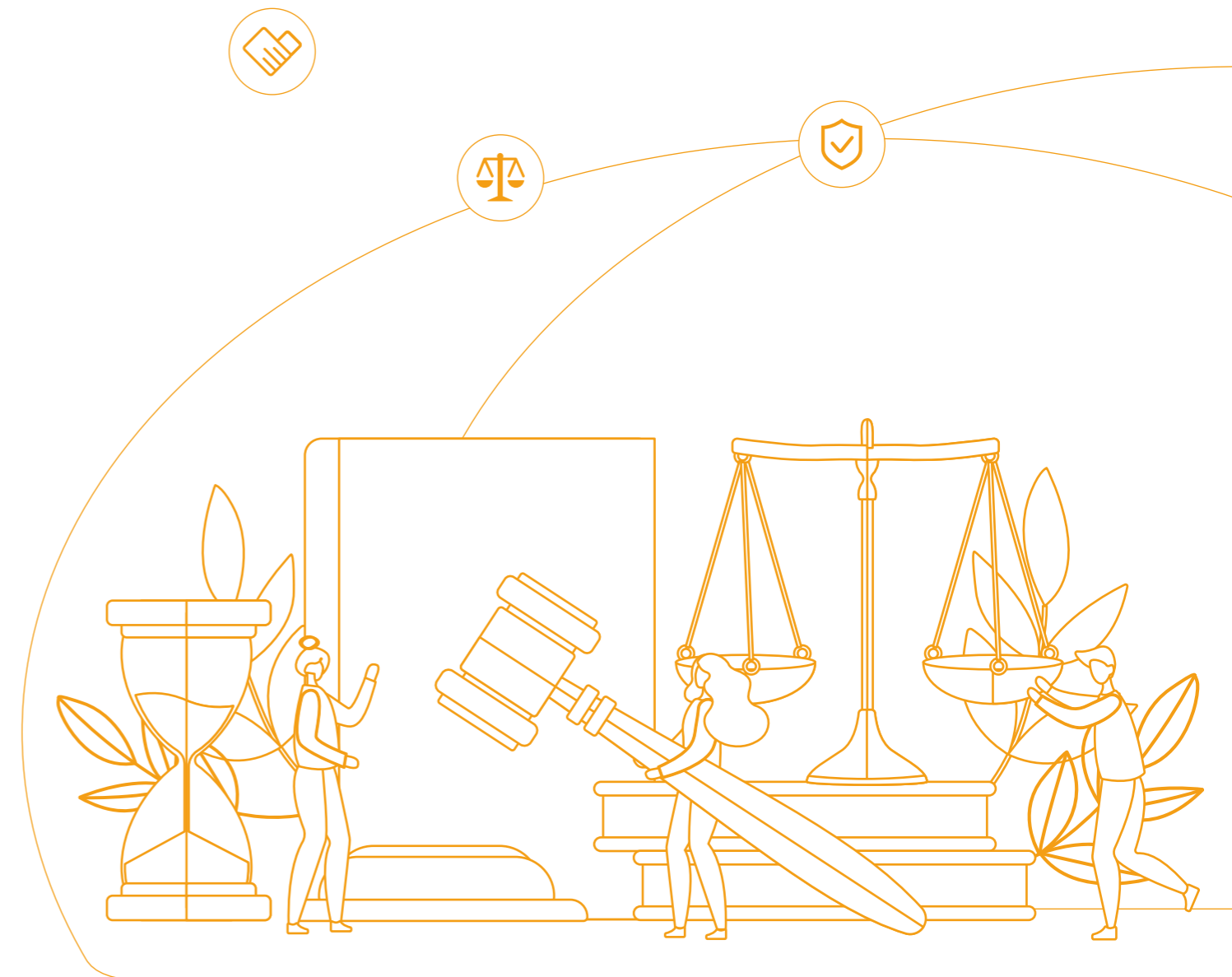
Number of participants in training on anti-commercial bribery and anti-corruption for the management: 80 person-times	Number of participants in training on anti-commercial bribery and anti-corruption for the management: 2 hours
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Anti-unfair Competition Management

Jereh Group strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, *Anti-Monopoly Law of the People's Republic of China*, and other relevant laws in operational regions, maintaining fair and honest market practices. To prevent antitrust and unfair competition risks, the Company establishes internal regulations and conducts regular training, clearly prohibiting business confusion, false advertising, commercial defamation, and improper acquisition of trade secrets.

In commercial dealings with suppliers, customers, and industry partners, the Company prioritizes quality, technology, and service, firmly opposing the use of illegal or unethical means to gain business opportunities or competitive advantages. During the reporting period, the Company did not face lawsuits or major administrative penalties related to unfair competition.





Intelligent Green Manufacturing Safeguarding Natural Habitats

Jerel Group integrates sustainable development into operations, systematically identifying and addressing climate-related risks, and continuously improving the environmental management system. The Company actively manages its own carbon emissions and operational carbon footprint, implements energy-saving and low-carbon production methods, enhances resource utilization efficiency, and establishes a green operation system to fulfill corporate environmental responsibilities.

Responded UN Sustainable Development Goals (SDGs):



Response to Climate Change

Jereh Group actively responds to global climate governance and "dual carbon" goals, integrating climate action into product innovation and operational management. With global production bases in China, the Middle East, and North America, the Company continuously advances technological innovation and digital transformation, optimizing energy consumption and carbon footprint through process upgrades and energy substitution, providing more efficient, intelligent, and low-carbon equipment and integrated solutions for the global oil and gas industry, supporting both its own and clients' green transformation, and promoting sustainable industry development while contributing to global carbon neutrality.

Climate Change Governance Framework

Jereh Group has established an ESG governance system coordinated by the Board of Directors and ESG working groups, with collaboration from relevant institutions, providing organizational support for systematic climate governance. The Company proactively identifies climate-related topics as a fundamental prerequisite for effective climate risk management and opportunity capture, integrating them into management agendas, continuously optimizing risk identification and response processes, exploring the implementation path from strategy to execution, mitigating climate risk impacts, and enhancing corporate climate resilience.

Climate Management Framework	
<p>Decision-making Level</p>	The Board coordinates the formulation of climate-related strategies, reviewing low-carbon transition plans and major technology investments in line with industry policies and "carbon peaking and carbon neutrality" goals.
<p>Supervisory Level</p>	The HSE Management Committee regularly reviews climate governance implementation, integrating emission reduction targets into internal performance evaluations to ensure effective execution.
<p>Execution Level</p>	The management-level ESG working group collaborates with R&D, production, and supply chain departments to identify climate risks and opportunities, implement climate actions, and define emission reduction responsibilities across business lines.

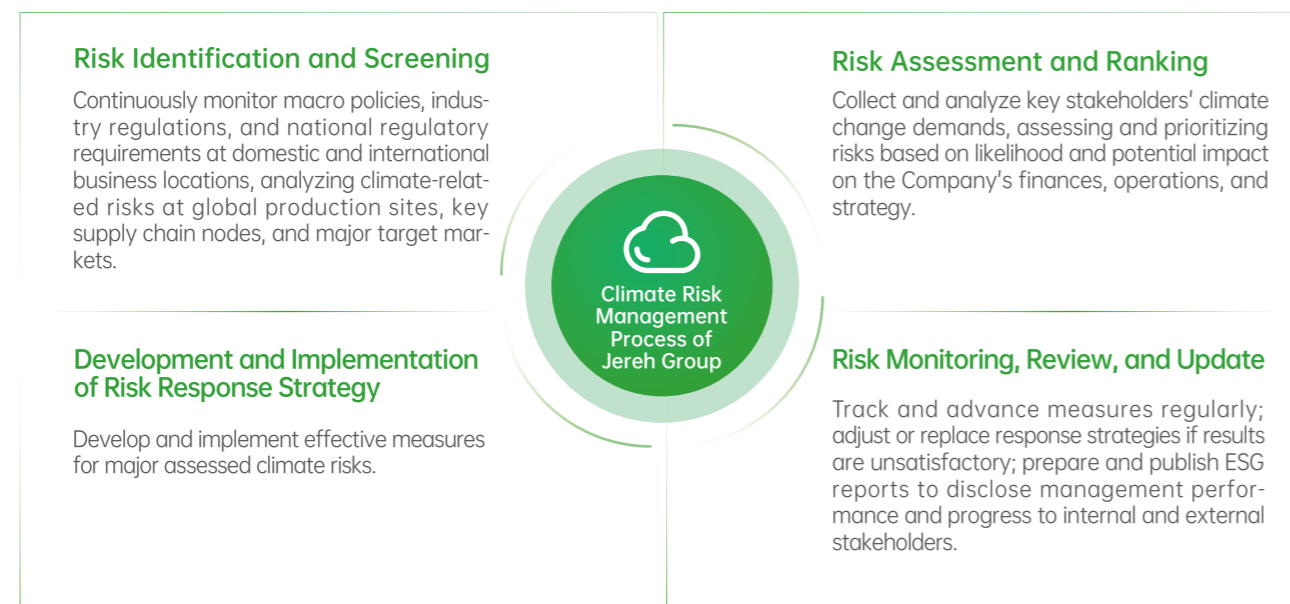
Climate Risk and Opportunity Identification

Risk Type	Risk Description	Likelihood of Occurrence	Impact Duration Reporting Period	Explanation of Financial Impact	Response Measures	
Physical Risks	Physical Risks from Extreme Weather	Equipment used in drilling, natural gas, and other operations is susceptible to drought, extreme cold, sea-level rise, storms, high temperatures, and other extreme weather.	Medium	Long-term	Increase in operating costs: Equipment damage or downtime may occur, insurance costs increase, and supply interruptions raise production costs.	<ul style="list-style-type: none"> Strengthen meteorological disaster warnings and reserve emergency materials Develop diversified suppliers, establish strategic alliances, and conduct regular assessments to ensure supply chain resilience
	Supply Chain and Resource Risks	Supply of newly selected materials and critical components may be affected by climate policies or extreme weather.	Medium	Mid-term		
Transformational Risks	Policy and Regulatory Risks	Domestic and international carbon taxes, emission standards, and environmental regulations are tightening, raising compliance thresholds and impacting traditional oil and gas equipment manufacturing and development.	High	Long-term	Increase in operating costs: Increase compliance costs and carbon trading expenditures.	<ul style="list-style-type: none"> Closely monitor domestic and international climate-related laws and regulations, and implement relevant environmental management systems accordingly Promote low-carbon technology R&D
	Market Demand and Transition Risks	Global energy transition accelerates, reducing demand for traditional oil and gas equipment and increasing competition in new energy equipment.	Medium to High	Medium and long-term	Reduction in operating revenues: Declining revenue from traditional business.	<ul style="list-style-type: none"> Increase the proportion of new energy equipment (e.g., energy storage, gas power generation) Strengthen R&D in circular utilization technologies for oil and gas development, lithium batteries, wind turbine blades, and photovoltaic modules
	Technology and Process Risks	New processes, materials, and structures may be immature in climate-responsive products.	Medium	Mid-term	Increase in capital expenditure: New technologies are immature, prone to research and development failures leading to cost overruns; product performance shortfalls may require additional investment.	<ul style="list-style-type: none"> Introduce simulation analysis Conduct dedicated reviews of new processes Establish a technical resource coordination mechanism
	Customer and Market Special Requirements	Clients have higher requirements on low-carbon, energy-efficient, and environmental certifications (e.g., DNV, ABS)	High	Medium and long-term	Increase in capital expenditure: Higher certification costs	<ul style="list-style-type: none"> Plan certifications in advance Communicate with clients to understand requirements and establish client profiles
	Reputation and Brand Risk	If the Company fails to respond promptly to climate policies, it may face skepticism from investors and customers.	Medium	Long-term	Reduction in operating revenues: Rising financing costs and market share loss	<ul style="list-style-type: none"> Proactively engage stakeholders' concerns, establish a positive image through environmental participation and regular ESG disclosures

Opportunity Type	Description	Likelihood of Occurrence	Impact Duration	Explanation of Financial Impact
Market Opportunities	As global attention to climate change increases, demand for renewable energy equipment (e.g., energy storage, gas-fired generators) and circular economy solutions (e.g., lithium battery recycling) continues to grow, driving business revenue and policy subsidies.	High	Medium and long-term	Increase in operating incomes: Increase business income and obtain government subsidy
Green Finance Opportunities	Green projects are more likely to access low-interest loans and green funds.	Medium	Medium and short-term	Decline in operating costs: Reduce financing costs and improve investment returns
Brand and Competitive Opportunities	Green transformation enhances corporate image, attracting quality clients and partners.	Medium to High	Long-term	Increase in operating incomes: Increase brand premium and expand into high-end markets

Climate Risk and Opportunity Management

Jereh Group integrates climate risk into its ESG comprehensive management framework. Under the board's supervision and coordination by the ESG working group, relevant functional departments and subsidiaries implement the process: "scan and identify → assess and prioritize → strategic response → monitoring and iteration" to ensure effective climate risk management.



Climate Indicator Target Advancement

Jereh Group strictly complies with low-carbon and environmental regulations, continuously strengthening full-process greenhouse gas (GHG) control, employing source control, process improvement, and energy efficiency measures to maintain stable and controllable emissions. During the Reporting Period, the Company's GHG emissions were mainly derived from direct emissions (Scope I) from natural gas, gasoline and diesel fuel consumed in daily office and production operations and indirect emissions (Scope II) from the use of purchased electricity.

Key Performance	2023	2024	2025	Unit
Direct GHG Emissions (Scope 1)	24,157.30	25,141.82	35,283.83	tCO ₂ e
Indirect GHG Emissions (Scope 2)	15,750.16	20,086.87	17,787.13	tCO ₂ e
Total GHG Emissions	39,907.45	45,228.69	53,070.96	tCO ₂ e
GHG Emission Intensity	0.0287	0.0339	0.0327	tCO ₂ e/RMB 10,000 revenue
GHG Emission Density	6.53	6.36	6.87	tCO ₂ e/Person

Note: The statistics and calculation scope of GHG data only include the operational emissions of Jereh Energy Services and other plants in Yantai.

Greenhouse Gas Emission Management

Jereh Group establishes the low-carbon transformation strategic goals and incorporates energy saving and carbon reduction into its green manufacturing system. Facing high energy consumption and emission challenges in the downstream oil and gas industry, the Company proactively assumes low-carbon responsibility, focusing on green upgrades and technological innovation, promoting electrification and clean energy adoption in main equipment power systems, reducing GHG emissions from oilfield operations at the source, and leading a new low-carbon paradigm across the value chain.

Core Equipment Green Upgrade

Electric-driven Fracturing Equipment: "Zero-Carbon Emission" Innovation for Well Site Operations

Jereh Equipment's electric drive fracturing equipment replaces diesel engine drives with electric power from the grid, energy storage, or gas-fired generators, eliminating on-site diesel combustion CO₂ and other pollutants at the source.

Case

Electric-driven Fracturing Equipment

Emission Reduction Benefits

Cumulative operations exceed 12,000 layers	Cumulative emission reduction: 4.908 million tons
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Case

Turbine Fracturing Equipment: High-Efficiency Low-Carbon Clean Fuel Solution

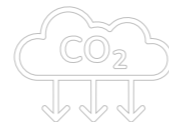
Jereh Equipment's turbine fracturing equipment replaces diesel engines with turbine engines, flexibly adapting to LNG, CNG, wellhead gas, and pipeline gas, reducing total GHG emissions by 25.50% and particulate matter by 33%, lowering carbon emissions at the source. The equipment has completed 270,000 hours of fracturing operations, cumulatively reducing carbon emissions by 1.6 million tons, equivalent to one year of emissions from 350,000 cars.



Turbine Fracturing Equipment

Emission Reduction Benefits

Cumulative operations: **270,000** hours
 Cumulative emission reduction: **1.6** million tons



Circular Technology Diversification

Case

Resourceful Recycling Technology for Lithium Batteries: Overcoming Lithium Battery Recycling Safety and Environmental Challenges

Jereh's lithium battery resource recycling equipment innovatively adopts Multi-Seal combined sealing and Dust-Free deep purification systems to solve safety and environmental challenges in battery crushing, enabling the Zhengzhou demonstration plant to efficiently extract approximately 1,000 tons of lithium carbonate annually, supporting full lifecycle recycling.



Resourceful Recycling Equipment for Lithium Batteries

Implementation Results

Black powder recovery rate and purity: **98%+**
 Copper and aluminum recovery rate: **95%+**
 Annual retired battery processing capacity: **10,000** tons



Case

Electric-driven coiled tubing equipment: Energy efficiency improvement and energy recovery smart solution

Jereh Equipment's electric drive coiled tubing equipment uses pure electric drive. During coiled tubing deployment, the drum motor can convert potential energy into electricity to recharge lithium iron phosphate batteries, further reducing net energy consumption.



Electric-driven coiled tubing equipment

Implementation Results

Energy efficiency utilization rate: **90%**
110%-157% improvement over traditional equipment



Case

Gas turbine hydrogen-blended power generation: Promoting Low-Carbon and Clean Transition of Industrial Energy Structure

Jereh Oil & Gas Engineering utilizes the gas turbine hydrogen-blended combustion technology to convert industrial by-product gas containing 14%-34% hydrogen into clean energy, processing over 10 million cubic meters of tail gas annually, generating 30 million kWh of electricity and 60,000 tons of steam, reducing dependence on fossil fuels.



Gas Turbine Hydrogen-Doped Combustion for Power Generation

Implementation Results

The annual power generation is **30** million+ kWh

Intelligent Electric Drive System Emission Reduction

Case

N+N Fuel-Storage Hybrid System: "Low Emissions + High Intelligence" Power Supply Paradigm

Jereh's N+N fuel-storage hybrid system consists of 2x6 MW gas turbines + 2x3.4 MW/7.4 MWh high-power storage systems forming a "smart energy matrix", dynamically tracking efficient turbine zones, optimizing turbine-storage allocation, replacing high-consumption diesel generators, and reducing redundant power generation.



N+N Fuel-Storage Hybrid System

Implementation Results

Cumulative electricity generation: **2.0391** million kWh
 Emission reduction: **40%+** compared to traditional methods
 NOx emissions **meet standards**



Case

AI•R FRAC Intelligent Fracturing System: Full-Electric Drive and AI Empower Low-Carbon Oil and Gas Development

The AI•R FRAC system integrates eight subsystems, including intelligent fracturing decision-making, equipment fault diagnosis, smart manifold, and well site safety systems, forming an all-electric well site "smart fleet". AI empowers the entire fracturing process, enabling intelligent data analysis, real-time risk warnings, and scientific decision-making.



Operation Site of AI•R FRAC Intelligent Fracturing System

Implementation Results

Precision control rate: **97.80%**
 Overall efficiency improvement: **45%**
 Safety performance: **100%**

Environmental Compliance Management

Jereh Group attaches importance to green development and environmental protection. In strict compliance with applicable laws and regulations concerning environmental protection such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, the *Law of the People's Republic of China on Prevention and Control of Soil Contamination*, and in light of characteristics of the Heavy Equipment Manufacturing Industry and Environmental Management requirements, we has formed a system and scientific environmental management system by formulating a series of environmental control procedure documents such as the *Regulations on Environmental Protection Management*, the *Procedures for Identification, Evaluation and Control of Environmental Factors*, and the *HSE Manual* to standardize the management of various environmental factors such as wastewater, waste gas, hazardous waste and noise.

During the Reporting Period, neither the Company nor any of its subsidiaries had violated any environment-related applicable laws and regulations; the completed projects passing environmental protection acceptance had all obtained relevant acceptance approvals; pollutant emissions were not subject to major administrative penalties, and no adverse effects were caused to employees or local community residents.

Improvement of Environmental Management System

Jereh Group continues to improve and institutionalize environmental management, ensuring efficiency and standardization. The Company has established a clear, hierarchical, and efficient environmental management structure. The president's office and subsidiaries' HSE departments are the central environmental management units; unit and department heads are first responsible for environmental protection within their jurisdiction, while relevant functional departments execute tasks, ensuring full implementation of environmental responsibilities across business operations. Key emission units incorporate recordable environmental incidents, risk rectification, and accident events into performance assessments, linking them to senior management compensation.

As of the end of the reporting period, Jereh and other 10 subsidiaries, including Jereh Equipment and Jereh Oil & Gas Engineering, have all obtained ISO 14001:2015 Environmental Management System certification.



ISO 14001:2015 Environmental Management System Certification Certificate

Key Performance

Environmental investment: RMB **15.1405** million
 Number of environmental training conducted: **80**
 Compliant mission rate of wastewater and exhaust gas: **100%**

Compliant disposal rate of General and hazardous waste: **100%**
 Compliance rate of rectified hidden hazards: **100%**

Identification of Environmental Compliance Risks

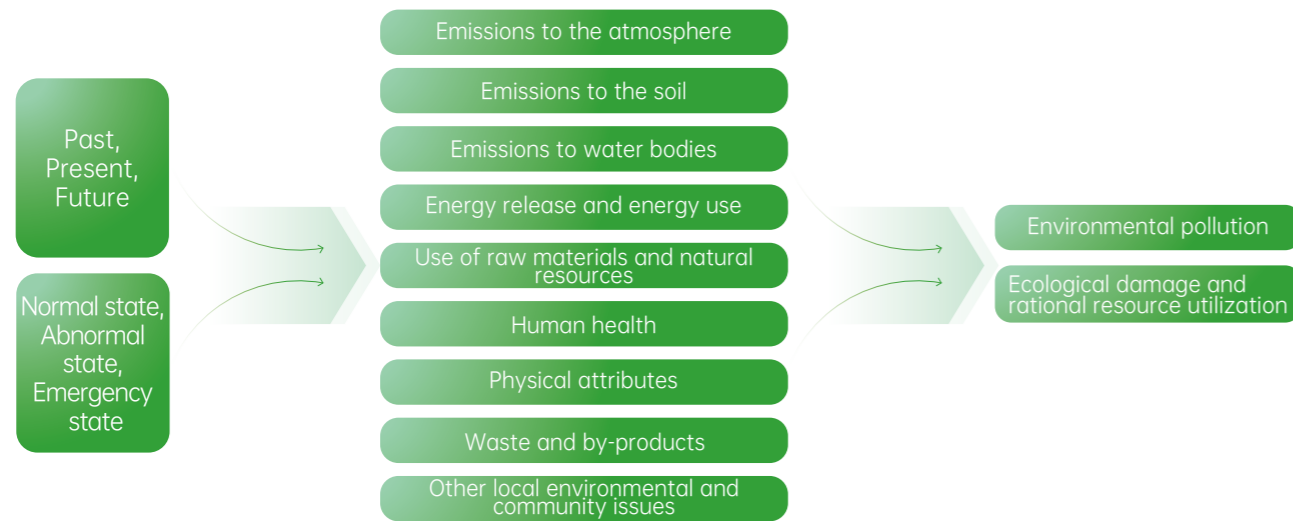
Categories of Main Environmental Risks	Risk Type	Risk Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact	Response Measures
Environmental Compliance Risks	Environmental Emergency Risk	Unexpected leaks or unplanned emissions during production may cause environmental pollution incidents, directly impacting corporate environmental performance.	Low	Short-term	Increase in operating costs: Generate emergency response, pollution cleanup, and ecological restoration costs.	<ul style="list-style-type: none"> Establish emergency response mechanisms Conduct regular emergency drills Improve environmental compliance management systems
Transformational Risks	Reputation risks	Negative impacts on surrounding water, air, noise, and soil during production or construction may attract public attention and amplify reputation risk, weakening customer loyalty and investor sentiment.	Low	Short-term	Reduction in operating revenues: Undermine customer loyalty and investor sentiment, leading to a slowdown in sales growth and an increased discount on market valuation.	<ul style="list-style-type: none"> Strengthen communication with stakeholders Conduct dynamic ecological and environmental monitoring, clarify environmental standards and responsibilities for each process
Pollutant Discharge Risks	Pollutant Discharge Risks	Exceeding permitted pollutant limits during operations may result in regulatory penalties and adverse effects on local ecosystems and public health.	Medium	Mid-term	Increase in operating costs: It may incur heavy fines, cover remediation costs, and temporarily suspend operations.	<ul style="list-style-type: none"> Strengthen pollutant and waste management, implement clean production Link environmental performance with departmental assessments, conduct routine inspections

Opportunity Type	Description	Likelihood of Occurrence	Impact Duration	Explanation of Financial Impact
Technological Innovation Opportunities	Emerging technologies such as low-carbon solutions, energy efficiency improvements, and carbon capture present development opportunities. By adopting new technologies or upgrading equipment, the production process can transition to low-emission and low-energy-consumption modes.	High	Long-term	Decline in operating costs: New technologies and equipment upgrades can promote resource recycling, improve production efficiency, and reduce material and energy costs.

Implementation of Environmental Compliance Controls

Environmental factor

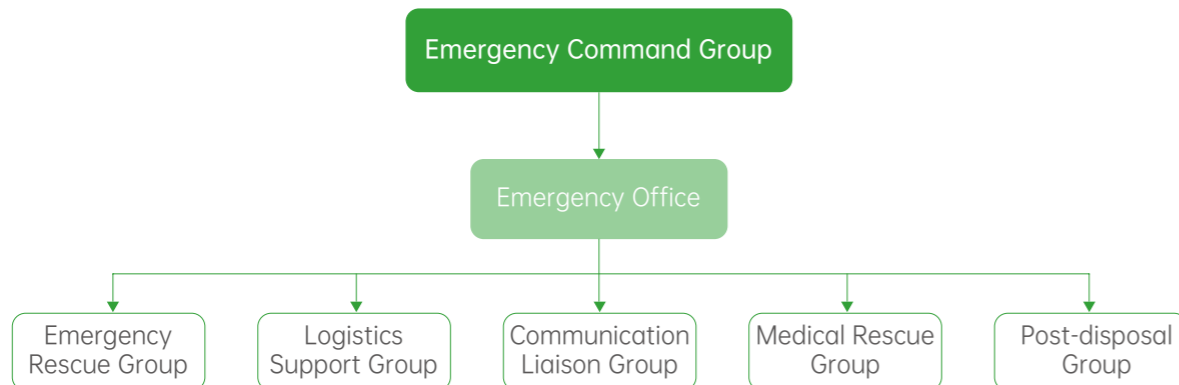
Jereh Group adopts a risk prevention approach, issuing documents such as the *Procedures for Identification, Evaluation and Control of Environmental Factors* to comprehensively identify, assess, and manage environmental risks in operations. During the reporting period, the Company conducted dynamic identification and graded evaluation of environmental factors across the production process, preparing and continuously updating risk evaluation tables to clarify factor importance and develop targeted control measures. Annual management reviews systematically examine identification and evaluation results. When significant operational changes, legal updates, new activities, or discrepancies occur, the environmental factor re-evaluation and checklist update procedure is initiated to ensure dynamic, effective, and continual compliance.



Environmental Factor Identification Flowchart of Jereh Group

Environmental Emergency Response

To establish and improve the environmental emergency management mechanism, Jereh Group and its subsidiaries establish and implement the *Emergency Response Plan for Environmental Incidents*, strengthening risk assessment, accident early warning, emergency handling, and post-event recovery, improving comprehensive emergency response capabilities and ensuring scientific, effective, and operable emergency plans.



Organizational Chart for Emergency Response of Jereh New Energy

Case

Hazardous Waste Leakage Emergency Drill by Dezhou United Petro

In June 2025, Dezhou United Petro conducted a hazardous waste leakage drill at the hazardous waste warehouse, simulating a container rupture during transport. The drill strictly adhered to environmental compliance requirements, with on-site personnel promptly reporting, and the emergency team immediately implementing containment, waste collection, and emergency response measures. The exercise effectively strengthened employees' emergency handling capabilities, verified the feasibility of response plans, and provided a practical foundation for reinforcing environmental safety defenses.



Hazardous Waste Leakage Exercise Site

Investigation of Environmental Hidden Dangers

Jereh Group and its subsidiaries, in strict accordance with relevant environmental laws and standards, conduct comprehensive inspections of environmental hazards, implement environmental safety management responsibilities, and regularly examine key areas such as production processes, operation of environmental facilities, hazardous chemical management, and waste disposal. Special registers are established and corrective actions implemented to ensure a compliant environmental management loop.

Case

Hazardous Waste Hazard Inspection and Rectification by Jereh Power-Tech

In August 2025, frontline managers at Jereh Power-Tech discovered some hazardous waste with worn labels in a temporary storage area. After assessment, corrective actions were immediately taken by sealing and laminating the labels to make them waterproof, oil-proof, and damage-resistant, in compliance with safety management standards.



Before Rectification

After Rectification

Training on Environmental Compliance

Jereh Group actively fulfills its environmental protection responsibilities by continuously conducting specialized environmental training to guide employees in understanding and practicing environmental responsibilities. During the reporting period, the Company conducted 80 training sessions, closely following the latest national and local environmental laws and regulations, covering various scenarios from daily operations to emerging businesses, integrating theory with practice to embed environmental compliance culture deeply into organizational operations and strengthen employees' environmental awareness and risk response capabilities.

Jereh New Energy Regeneration and Recycling Participated in External Environmental Professional Training

In November 2025, Jereh New Energy Regeneration and Recycling attended an industrial seminar on lithium-ion battery recycling, sharing the Industrial Application of Crushing and Recycling Technology of Used Lithium Iron Phosphate Batteries, highlighting innovative designs and practical results for safe, environmental protection, and compliant disposal of the technical schemes. By participating in industry exchanges and training, the Company continuously follows the latest policies and standards in the recycling sector, enhancing the team's environmental compliance awareness and risk management capabilities in battery recycling operations.



Professional Training in the Lithium-Ion Battery Recycling Industry

Case

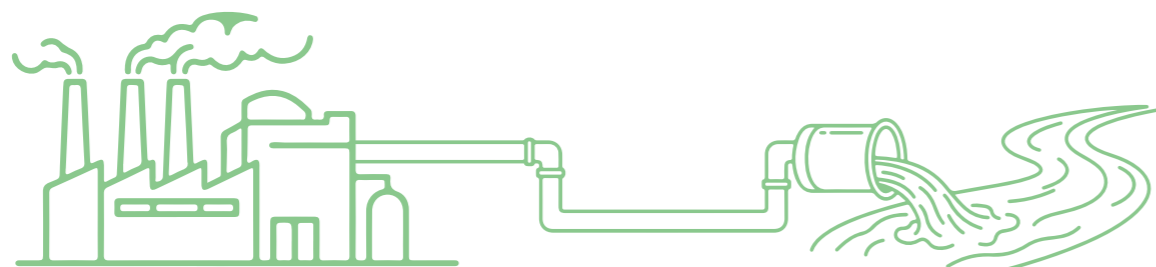
Compliance in the Discharge and Treatment of "Three Wastes"

Management of Wastewater, Waste Gas and Residue Emission

Jereh Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Regulation on Urban Drainage and Sewage Treatment*, as well as local standards for wastewater discharge, adhering to the principle of "source prevention, process control, and end-of-pipe management", establishing a comprehensive wastewater discharge control mechanism. Subsidiary Jereh New Energy formulated the *Water Pollution Prevention Management System* to classify, collect, and treat production and domestic wastewater, ensuring compliant discharge. All wastewater outlets are marked and assigned responsible personnel, ensuring discharge throughout the process is under control and meets related legal and regulatory requirements.

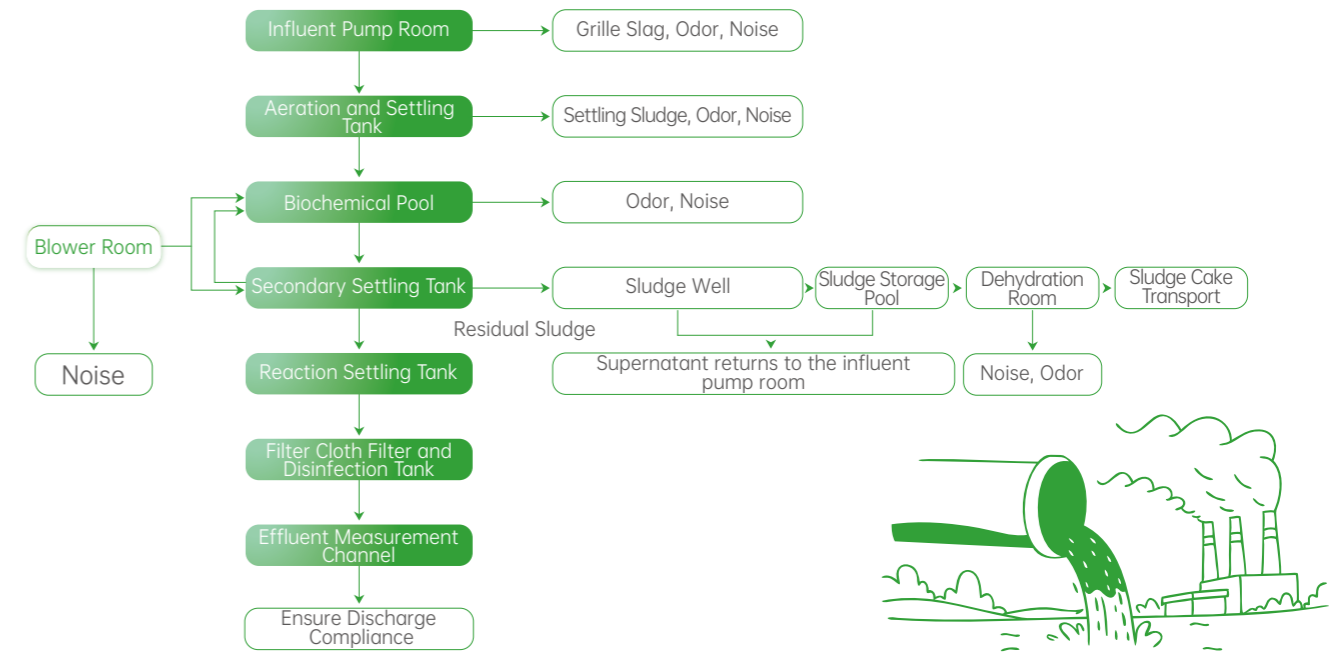
During the reporting period, all production sites and subsidiaries adopted appropriate wastewater treatment processes based on wastewater characteristics, ensuring treated water met discharge standards before entering municipal sewage systems, achieving a 100% compliant wastewater discharge rate.

Wastewater discharges	2023	2024	2025	Unit
Wastewater Discharges	7,651,053.03	7,731,259.00	7,321,986.64	ton
Wastewater Discharge Intensity	20,975.89	21,170.43	20,060.24	m ³ /day

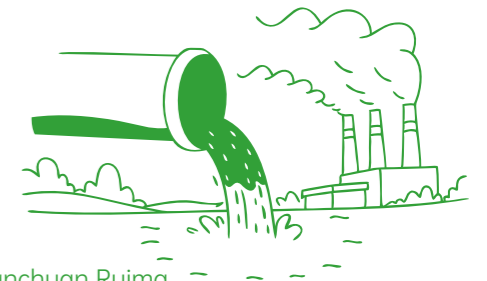


Types of Wastewater Pollutant	2023	2024	2025	Unit
Chemical oxygen demand (COD)	414.90	374.84	21.07	ton
Five-day biochemical oxygen demand (BOD ₅)	37.96	22.89	0.40	ton
Suspended solids	61.39	36.65	1.86	ton
Ammonia Nitrogen	46.63	41.43	1.74	ton
Total Phosphorus	1.91	3.42	0.10	ton
Animal and plant oils	2.05	5.33	0	ton
pH	7.64	7.50	7.63	/

Note: The statistics and calculation scope of wastewater data only cover subsidiaries and key pollutant discharge units in Yantai.



Domestic Sewage Treatment Process Flowchart of Hanchuan Ruima



Management of Waste Gas Emission

Jereh Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other regulations, monitoring and managing all production emissions comprehensively. Subsidiary Jereh New Energy formulated the *Air Pollution Prevention and Control Management System*, implementing full-chain exhaust gas management based on the principles of "total quantity control, process management, compliant discharge, and abnormal approval".

For major pollutants such as boiler emissions, industrial exhaust, and particulates, targeted treatment facilities were constructed in the Company and subsidiaries to ensure emissions meet the *Integrated Emission Standard of Air Pollutants* (GB 16297-1996) and *Emission Standard of Air Pollutants for Boiler* (GB 13271-2014) standards, minimizing impact on the surrounding environment and human health.

During the reporting period, all emissions from production sites and subsidiaries met discharge standards, achieving a 100% compliant exhaust emission rate.

Types of Waste Gases	Treatment Processes	Facility Operation and Compliance
Boiler Waste Gas	Low-Nitrogen Combustion Technology	All environmental protection facilities are operating normally, Waste gas is discharged after meeting relevant standards.
Industrial waste gas	Used an RTO combustion system for the treatment of high-concentration organic exhaust gases; and adopted "limestone gypsum wet desulfurization + wet electrostatic dust removal" for the treatment of low-concentration organic exhaust gases Processed through grid-type exhaust gas recovery devices, exhaust purification towers, VOCs treatment devices, etc. Alkaline washing + UV photolysis + activated carbon adsorption methods were used for treatment.	
Particulate matter	Adopted bag-type dust collection, filter cartridge dust collection, spraying wet dust collection, and other treatment methods	

Waste gas emissions	2023	2024	2025	Unit
Waste Gas Emissions	2.41	8.43	8.61	ton

Types of Exhaust Pollutants	2023	2024	2025	Unit
Nitrogen oxide (NO _x)	1.15	2.66	7.33	ton
Sulfur dioxide	0.03	1.34	1.69	ton
Volatile organic compound (VOC)	0.58	0.69	0.01	ton
Sulfuric acid mist	0.02	0.02	0.31	ton
Particulate matter (PM)	0.61	2.42	0.32	ton

Note: The statistics and calculation scope of wastewater data only covers subsidiaries and key pollutant discharge units in Yantai.

Waste Emission Management

Jereh Group thoroughly implements the requirements of the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, and manages wastes adhering to the principles of "minimization, valorization, environmentally sound management, recycling, and reuse". Key emission units formulated internal regulations such as the *Solid Waste Management System and Hazardous Waste Management System*, clearly assigning responsibilities, implementing classified collection, temporary storage, recordkeeping, and directed transfer of general solid wastes, hazardous wastes, and household wastes, ensuring full traceability.

During the reporting period, all waste generated by production sites and subsidiaries was transported and disposed of by qualified third-party entities, achieving 100% compliance in general solid waste and hazardous waste disposal.

Waste Categories Treatment Measures



General industrial solid waste

- Strictly implement clean production in new, modified, and expanded projects, optimizing raw material and energy use to reduce waste at the source.
- Promote clean production improvements and full-process control for in-service equipment.
- Implement "three-prevention" requirements during waste collection, storage, and transportation.
- Standardize facilities and site signage, maintaining them regularly.



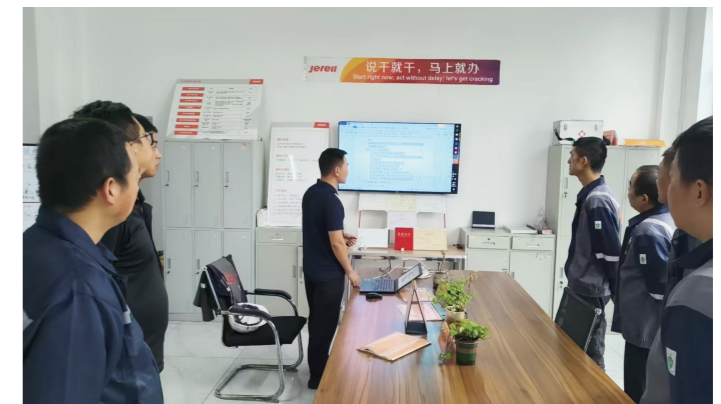
Hazardous waste

- Apply hazardous waste labels during collection, storage, transfer, and disposal.
- Contract qualified entities for standardized transportation and disposal.
- Prepare and file hazardous waste emergency plans.
- Maintain hazardous waste management ledgers legally.
- Conduct regular internal inspections and enforce compliance with incentives and penalties.

Training on Disposal of Hazardous and Solid Wastes

Case

To strengthen compliance management, in September 2025, Jereh New Energy organized specialized training on hazardous and solid waste disposal, covering classification, storage, transfer, and disposal regulations and procedures, including a written examination to ensure key personnel fully master relevant knowledge and workflows.



Training on Disposal of Hazardous and Solid Wastes

Emission of Solid Wastes	2023	2024	2025	Unit
Quantity of general waste generated	1,850.27	1,227.00	6,642.00	ton
Quantity of general waste disposed of	1,850.27	1,227.00	6,642.00	ton
Quantity of hazardous waste generated	61.86	375.24	447.36	ton
Quantity of hazardous waste disposed of	64.76	376.48	449.43	ton

General waste				
Category Name of Waste	2023	2024	2025	Unit
Dust ash	/	/	0.50	ton
Desulfurization gypsum	/	/	70.00	ton
Scrap steel	104.00	95.00	204.82	ton
Domestic waste	36.00	32.10	1,095.00	ton

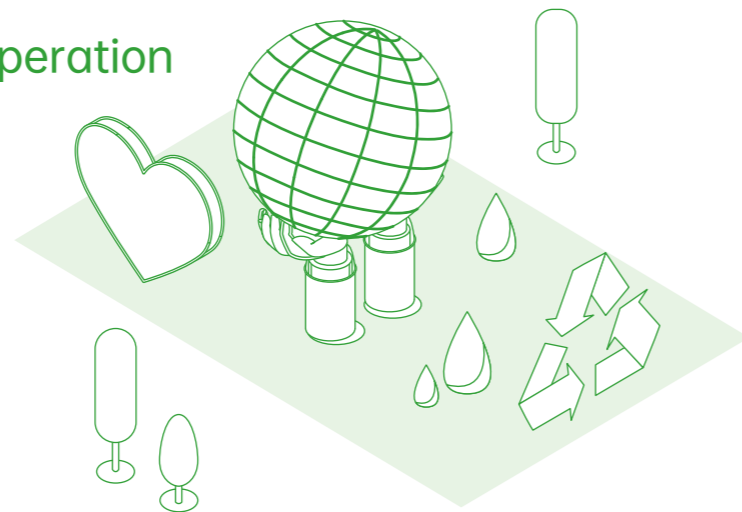
Hazardous waste				
Category Name of Waste	2023	2024	2025	Unit
Waste oil sludge (HW08)	12.70	36.25	5.20	ton
Waste oil drums (HW08)	0.00	0.00	14.59	ton
Waste paint barrels (HW49)	0.32	0.00	30.84	ton
Waste packaging (HW49)	3.90	5.34	5.98	ton
Chromium-containing sludge (HW17)	13.71	12.58	19.98	ton
Waste activated carbon (HW49)	0.31	1.07	13.73	ton
Residues of refinery or distillation (HW11)	30.93	320.00	119.40	ton

Note: The statistics scope of distillation residue (HW11) only covers key pollutant discharge units, and that of other waste data only cover subsidiaries and key pollutant discharge units in Yantai.

Advancing Corporate Green Development

Implementation of Green Operation

Jereh Group advocates and fully implements green office practices, deepening energy conservation, emission reduction, and resource recycling, aiming to enhance both environmental protection and operational efficiency. Through paperless operations, procurement of energy-efficient equipment, green procurement policies, and environmentally friendly office supplies, the Company explores innovative green office models, guiding employees to practice low-carbon lifestyles, effectively reducing operational carbon footprint and creating a sustainable low-carbon office environment.



Green Office Initiatives

- Management of Electrical Equipment** Regulate the use of computers, printers, and other electrical equipment; turn off power when leaving for extended periods; set summer air-conditioning temperatures no lower than 24°C; cooperate with security inspections and display unpowered equipment and lights to reduce standby energy consumption.
- Green Office Supplies** Advocate the use of green office supplies, such as environmentally friendly recycled paper and other resource-recycled products.
- Electronic Office** Fully implement paperless office operations, utilizing OA systems to minimize paper usage; encourage double-sided printing, avoid unnecessary color printing, and strictly control the issuance of documents and materials.
- Regular Greenery Maintenance** Arrange to maintain greenery regularly in office areas to absorb CO₂, release oxygen, purify air, and reduce harmful gases in office spaces.

Building Green Enterprises

Jereh Group and its subsidiaries deeply implement green development principles, focusing on building a green enterprise system, achieving significant results in green manufacturing, design, and supply chain management. During the reporting period, subsidiary Jason Energy was recognized as a Green Factory in Yantai; Dezhou United Petro obtained AAA-level green factory certification, green supply chain, green enterprise, and green design product management system certifications; Jereh Oil & Gas Engineering also received green enterprise certification. A series of achievements demonstrates the Company's firm commitment and systematic approach to green transformation, setting a benchmark for green development in the industry and supporting the sector's sustainable upgrade.



Relevant Environmental Honors and Certifications

Achievement of Environmental Targets

Jereh Group and its key emission units are committed to harmonizing human, natural, and developmental needs. By setting measurable and traceable environmental targets, the Company promotes performance improvement and accountability, reduces environmental load, deepens green transformation, and enhances overall environmental management effectiveness.

Environmental Performance Metrics and Targets	Completion Rate in 2025
No incidents of general toxic or hazardous substance leakage	Achieved
No incidents of general or above environmental pollution	Achieved
Zero discharge of production wastewater through recycling	Achieved
Standardized discharge management of domestic wastewater	Achieved
Zero annual exceeding of exhaust emissions	Achieved
Factory boundary noise meets standards	Achieved
100% proper disposal rate of solid waste	Achieved

Recycling of resources

Jereh Group adheres to the principles of resource conservation and environmental friendliness, optimizing the full chain of materials, energy, and water resources. Through upgraded packaging materials, promotion of energy-saving technologies, and water recycling, the Company achieves coordinated reduction, reuse, and efficient circulation of resources.

Material Utilization

Jereh Group has systematically established an inventory management system, improving supporting procedures such as the *Material Protection and Maintenance Process* and *Packaging Management Process*. Led by the Operations Management Department, a dedicated team develops inventory driver models and builds an online platform for obsolete materials to achieve the targets of "controlling increase at the source and reducing inventory volume". At the same time, the inventory management system is utilized to monitor material flow in real time and precisely matches supply and demand, while optimizing workshop layout to improve turnover efficiency; through holiday promotion meetings and periodic special reviews, difficult material handling issues are resolved, strengthening resource utilization and cost control.

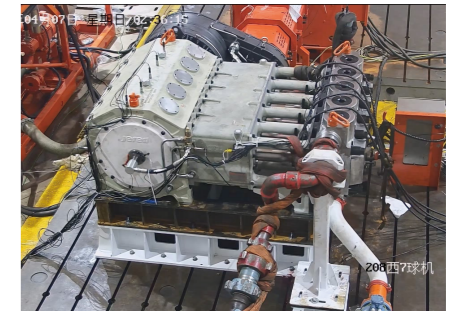
Core materials include raw materials such as steel for oil and gas equipment and natural gas compressors, as well as recyclable/degradable turnaround materials, reusable spare parts, and consumables. In supply chain packaging, the Company promotes a green packaging system, requiring suppliers to prioritize recyclable/degradable materials while ensuring product quality and to reuse original packaging during returns to reduce secondary consumption. Currently, the subsidiary Dezhou United Petro, Ltd. has established a comprehensive green packaging management system, creating replicable practices and promoting them across the Company, steadily improving sustainability in packaging.

Usage of Packaging Materials				
Indicator Name	2023	2024	2025	Unit
Total quantity of packaging materials used	768.60	911.38	512.05	ton
Packaging material consumption intensity	0.0005	0.0007	0.0003	tons/RMB 10,000 revenue

Note: The data statistics and calculation scope for packaging materials only cover Jereh Group, Jereh New Energy Regeneration and Recycling, and Jereh Equipment.

Jereh Group Pangu Series Plunger Pump—Innovative Path for Efficient Resource Utilization

The Pangu series of Jereh Group focuses on efficient resource use and sustainable materials practice, with self-developed JRZT materials achieving billions of cycles without damage. The power end of fracturing equipment is designed for lifetime use without replacement, significantly reducing metal consumption and waste generation. Embedded lubrication systems reduce operational resistance by 35%, with transmission performance exceeding industry standards, extending maintenance cycles by over two times and reducing equipment operating costs by 50%. Paired with the JPCM system, power end fault prediction accuracy reaches 100%, and hydraulic end reaches 97.7%, precisely forecasting leak risks while achieving resource efficiency, energy optimization, and environmental safety.



Pangu Series Plunger Pump

Energy Utilization

Energy Management System

Jereh Group is committed to building a systematic and intelligent energy management system, establishing an electricity optimization team to guide subsidiaries in formulating energy management policies, training staff, and continuously reducing energy consumption through technological innovation, process optimization, and lean management. As of the end of the reporting period, 3 subsidiaries, i.e., Jereh Equipment, Dezhou United Petro, and Jason Energy have all obtained ISO 50001:2018 Energy Management System certification.



Certificate of ISO 50001:2018 Energy Management System Certification

Energy Consumption	2023	2024	2025	Unit
Total Energy Consumption	14,927.89	16,351.39	20,921.07	tce
Energy Consumption Intensity	0.0107	0.0122	0.0129	tce/RMB 10,000

Note: The statistics and calculation scope of energy data only covers the operation consumption of Jereh Energy Service and the energy consumption of plants in Yantai. The total energy consumption is calculated according to the conversion factors in the GB/T 2589-2020 *General Rules for Calculation of the Comprehensive Energy Consumption* of the People's Republic of China.

Energy Usage				
Energy Types	2023	2024	2025	Unit
Natural Gas	33.70	37.60	72.83	10,000 m ³
Gasoline	71.56	61.79	140.00	ton
Diesel	7,500.00	7,800.00	10,756.00	ton
Total Purchased Electricity	28,040,160	35,760,854	33,147,832.21	kWh

Energy Conservation and Consumption Reduction Practices

At the headquarters level, Jereh Group focuses on office electricity and domestic gas, advancing energy-saving initiatives; at the subsidiary execution level, the Company applies the principle of "coordinated supervision and empowerment, differentiated implementation", guiding subsidiaries to adopt multi-dimensional measures—policy, technology, and management—tailored to their business and operations, fostering participation, continual improvement, and promoting the improvement of the company's overall energy utilization efficiency and the reduction of energy consumption intensity.

Measures for Energy Conservation and Consumption Reduction

- Policy and System Development**
 - Jereh Equipment: Develops energy management and electricity-saving documents, sets annual energy baselines and targets, and tracks energy efficiency
 - Jereh Oil & Gas Engineering: Regularly conducts energy consumption diagnostics and proposes targeted improvement measures.
 - Jason Energy: Issues *Energy Management System Manual*, establishing energy target assessment mechanisms.
 - Dezhou United Petro: Diagnose key energy consumption variables across multiple dimensions and develop a Ranked List Of Energy Performance Improvement Opportunities.
- Technical Upgrades and Equipment Improvements**
 - Jereh Oil & Gas Engineering: Replaced 95 halogen lamps (400W) with 200W LED lamps in Workshop 302 (saving approximately 15,000 kWh annually); replaced standard air compressors with variable frequency units to reduce energy consumption.
 - Jereh New Energy: Installed smart power system for real-time electricity monitoring and data analysis.
 - Jereh Equipment: Replaced diesel forklifts with electric forklifts to reduce emissions and fossil fuel use.
- Operational Management and Behavior Optimization**
 - Jereh Oil & Gas Engineering: Implemented peak-valley electricity usage and standardized office energy use to avoid idling and waste.
 - Jereh Equipment: Cultivated a company-wide energy-saving culture through promotion and inspection.

Jereh New Energy Smart Power System Supports Energy Efficiency

Jereh New Energy deployed smart power system software at the Yantai facility to identify and optimize high-energy-consuming equipment schedules, implement off-peak electricity usage, and achieve real-time monitoring and big data analysis of facility electricity consumption. By the end of 2025, the Yantai facility reduced electricity costs by RMB 1.8366 million.

Smart Energy Management System

"Grid-Storage Energy Aggregation" Project in Changqing Oilfield of Jereh Agile Power Energy

Jereh Agile Power Energy customized a 2MW grid electricity + 10.2MW/22.2MWh storage solution for Changqing Oilfield; using reactive compensation, peak shaving, and island operation, grid utilization reaches 98%, solving small grid power supply challenges, enabling flexible power switching, reducing NOx emissions by 90%. This initiative balances cost reduction and efficiency improvement with low carbon goals, providing a model for green oil and gas field development.



"Small Grid + Storage" Solution in Jereh Agile Power Energy

Energy Consumption Target

Jereh Group and its subsidiaries set clear annual unit product key performance indicators for energy savings and efficiency improvement, integrating them into operational unit assessment systems to enhance overall energy efficiency.

2025 Annual Energy Target Achievement in Jereh Equipment

Company Name	Indicator Name	Indicator Units	Energy Baseline	Energy Target	Achievement
Jereh Equipment	Unit Product Energy Consumption	tce/unit	3.35	3.18	Achieved
	Unit Product Electricity Consumption	kWh/unit	15,526	14,749.70	Achieved
	Unit Product Natural Gas Consumption	m ³ /unit	910.29	864.78	Achieved
	Unit Product Diesel Consumption	kg/unit	237.56	225.68	Achieved

Water Resource Utilization

Water Resource Management System

Jereh Group continuously deepens refined water resource management, coordinated by the Administrative Department with defined management indicators and assessment mechanisms. Production water comes from municipal water supply and recycled water, covering workshop use, cooling water makeup, boiler makeup, environmental facility use, and domestic water. Subsidiaries issued *Water and Electricity Conservation Management System*, which clearly defines the management of water and electricity usage for production and daily life, aiming to reduce resource waste and ensure safe water and electricity usage.

During the Reporting Period, the Company and its subsidiaries took a series of water-saving measures to improve water resource utilization efficiency, promote rational water use, and scientifically manage water. No direct or indirect significant impact on water resources occurred due to changes in water intake, consumption, discharge, or storage.

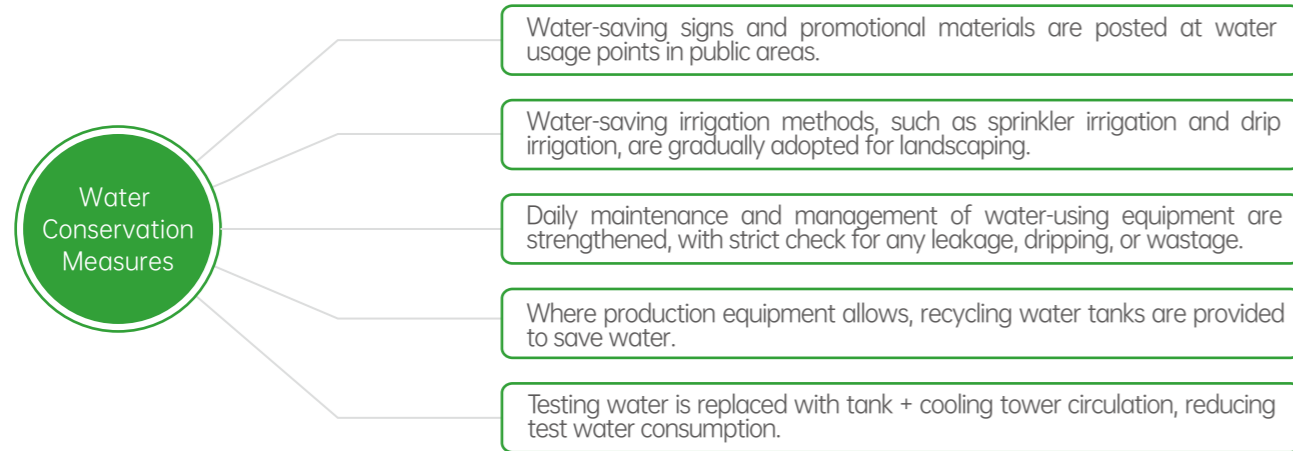
Key Performance

Total Water Usage:
163,535 tons

Water Use Intensity:
0.1008 tons per RMB 10,000 revenue

Water Resource Management Measures

To support the national call for a water-saving society, Jereh Group implements a principle of giving high priority to saving water, promoting intensified water utilization in daily operations.



Water Resource Indicators and Objectives

Jereh Group and its subsidiaries focus on lean water management, establishing quantitative targets, specifying unit product water consumption, and implementing practical measures to fulfill water-saving responsibilities.

2025 Annual Water Saving Target Achievement in Jereh Equipment				
Indicator Name	Indicator Units	Water Baseline	Water Target	Achievement
Unit Product Water Consumption	kg/unit	126.43	120.11	Achieved

Protecting Ecosystems

Focus on Ecological Protection

Jereh Group emphasizes biodiversity protection, continuously monitoring and managing potential impacts on biodiversity from business operations. The Company actively responds to the "Kunming-Montreal Global Biodiversity Framework", and systematically carries out biodiversity risk assessments and hidden danger identification in strict compliance with national laws, regulations, and policy guidelines, such as the *Opinions on Further Strengthening Biodiversity Protection and the Law of the People's Republic of China on Prevention and Control of Soil Contamination*, to ensure operations meet ecological protection requirements. While comprehensively advancing biodiversity risk management, the Company not only focuses on localized ecological restoration at its operational sites but also actively expands cross-regional public welfare ecological protection projects, participating in biodiversity governance practices with a global perspective.

During the reporting period, the Company continuously improved ecological monitoring systems and networks, monitoring air, surface water, soil, and vegetation at all operation sites and surrounding areas, with no significant negative impact on biodiversity.

Case

Tree Donation Project at Baquba, Iraq

During the reporting period, in response to arid, sparsely vegetated, erosion-prone conditions in Baquba, Iraq, the Company donated seedlings to the local government, supporting regional ecological improvement and biodiversity protection. The initiative aims to expand greenery, stabilize soil, prevent wind erosion, and improve microclimates. This not only fulfills the Company's biodiversity protection commitment, but also demonstrates community sustainability support.



Tree Donation Site

Advancing Mine Rehabilitation

Jereh Group recognizes that the development of mineral resources must align with ecological protection and restoration. Relying on independent R&D and engineering experience, the Company addresses coal gangue, tailings disposal, and governance in mined-out areas, providing integrated technical, equipment, and intelligent control solutions. This transforms mining waste into backfill resources, mitigates geological hazards, reduces land occupation, and lowers environmental impact on soil and air, supporting green mining and continuous ecological improvement.

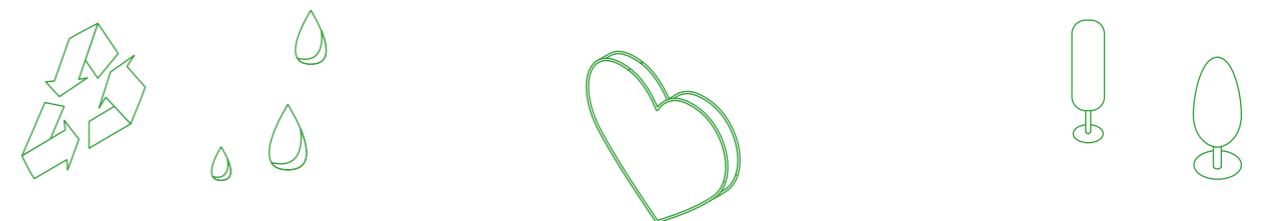
Case

Using Integrated, Modular Gangue Processing Technology to Assist Mine Ecological Restoration

The Company implements the Guizhou coal gangue backfill EPC project, integrating crushing, mixing, pumping, and intelligent control to handle coal gangue stockpiles on a large scale, eliminating land occupation and dust issues from solid waste storage. At the same time, the project mitigates subsidence risks in mined-out areas and, together with local vegetation restoration and habitat rehabilitation, gradually restores the ecological integrity of mining sites, providing a systematic solution for regional biodiversity conservation and green mining.



Coal Gangue Backfill EPC Project Site



Case 

High-Pressure Grouting and Digital Twin Technology for Safe Metal Tailings Backfill

The Company's self-developed integrated tailings backfilling system, featuring modular design, high-pressure plunger pump grouting technology, and digital twin technology, supports mines in resource recovery of tailings and safe filling of goaf areas. It effectively mitigates surface deformation and damage, reduces disturbance risks to vegetation and wildlife habitats, and minimizes pollution to surrounding soil and water, thereby protecting the mine ecosystem and regional biodiversity.



Backfilling Capacity Expansion and Renovation Project

Promotion of Soil Remediation

Jerrell Group continuously invests in soil remediation, deeply integrating pollution control with ecological restoration. Leveraging advanced research capabilities, high-performance specialized equipment, extensive project service experience, and refined engineering implementation techniques, the Company provides customized treatment and remediation solutions for soils and groundwater contaminated with organic pollutants, heavy metals, and other pollutants, aiming to become a leading provider of comprehensive technological and equipment solutions in soil remediation.

Case 

Heavy Metal Barium Slag Soil Remediation Project in Tianzhu, Guizhou

The Heavy Metal Barium Slag Soil Remediation Project in Tianzhu, Guizhou adopted an in-situ solidification stabilization remediation process and uses high-pressure jet grouting equipment for construction. The total treatment scale of the project reached over 600,000 cubic meters, achieving high-quality remediation of heavy metal barium slag soils.



Comparison of the Guizhou Project before and after Soil Remediation

Case 

Sichuan Heavy Metal Contaminated Soil Solidification and Stabilization Project

The Sichuan Heavy Metal Contaminated Soil Solidification and Stabilization Project used crawler-type soil stabilization remediation equipment, with a total treatment scale of 540,000 cubic meters, achieving remediation of heavy metal-contaminated barium soils.



Comparison of the Sichuan Project before and after Soil Remediation

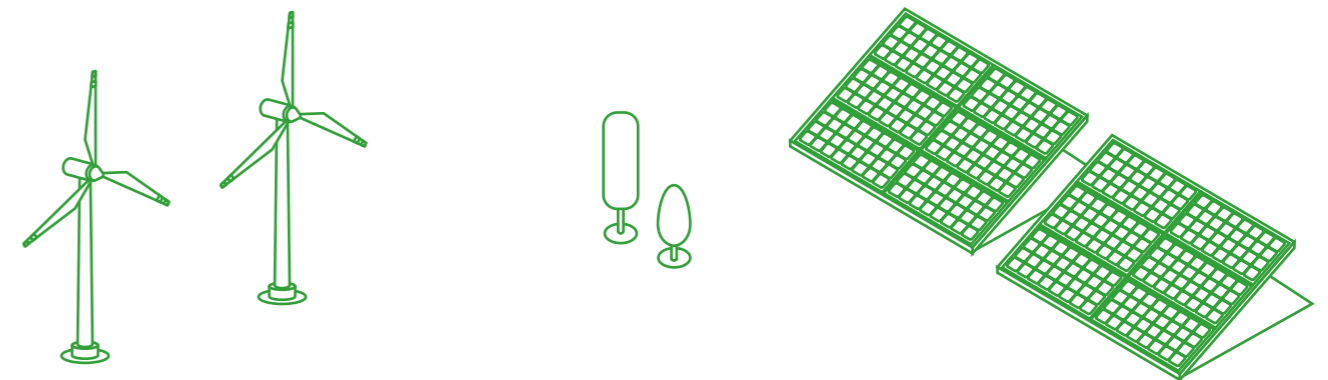
Case 

Environmental Remediation Project at Jinan Steel Plant Site

The Jinan Steel Plant environmental remediation project involves 440,000 cubic meters and must be completed within 365 days, with a tight schedule and complex contamination types, including heavy metals such as arsenic and lead, and polycyclic aromatic hydrocarbons. To address the complex pollution conditions and urgent timeline, seven remediation technologies were simultaneously applied on-site, including leaching, thermal desorption of odors, and chemical oxidation. Additionally, as the project is adjacent to residential areas, its implementation not only improves the surrounding living environment but also eliminates pollution risks, providing a solid barrier for the protection of regional biodiversity.



Environmental Remediation at Jinan Steel Plant Site

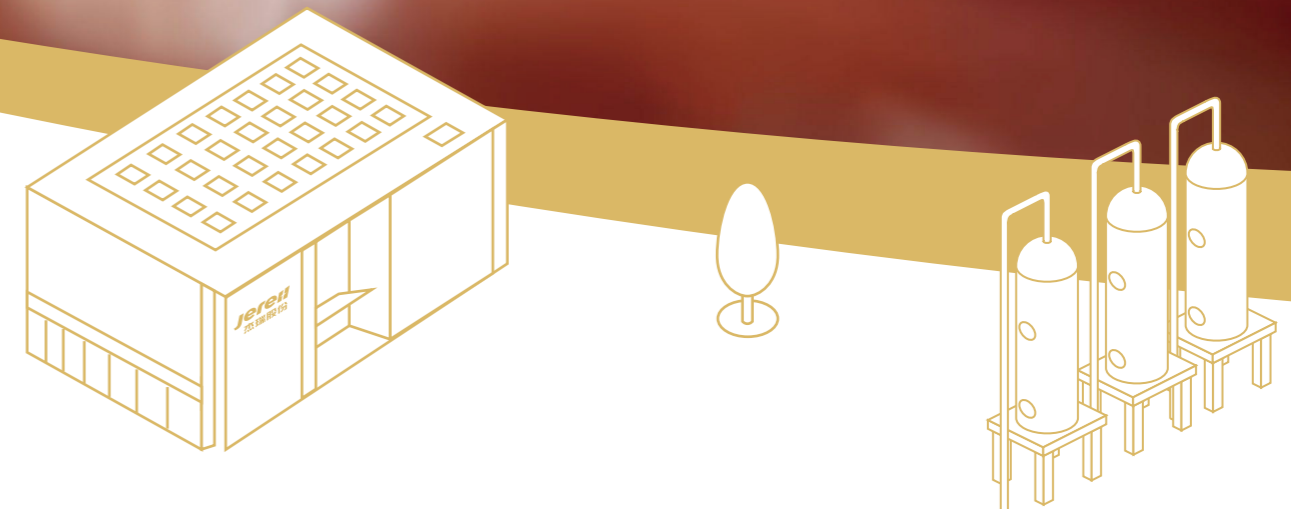




Setting Industry Benchmark with Craftsmanship and Excellent Service

Jerel Group adheres to the quality policy of "Create perfect quality with great care. Make progress each day", strictly upholding product quality and safety standards, continuously enhancing product and service levels, actively exploring frontier technologies, and realizing a win-win supply chain philosophy.

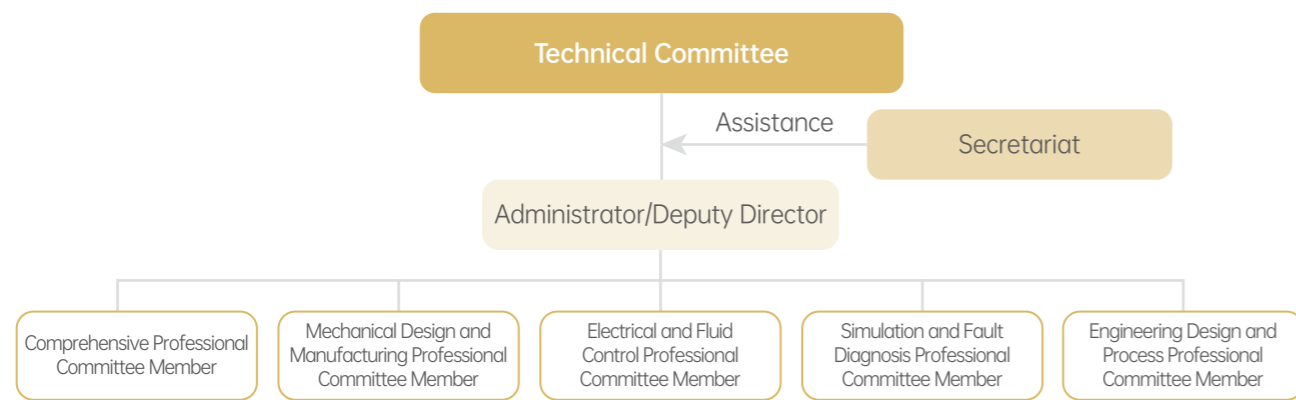
Responded UN Sustainable Development Goals (SDGs):



Innovation-Driven Development

Deepening the Innovation Management System

Jereff Group always regards innovation as the core driver of corporate development, continuously optimizing the R&D governance structure centered on the Technology Committee, with the Chief Technology Officer and Secretariat providing supervision and guidance, and various specialized subcommittees executing responsibilities. The Company and its subsidiaries have formulated and implemented systems such as the *R&D Innovation Incentive Management Measures*, *Management Innovation Administration Measures*, and the *Specification for the Research and Initiation of New Products*. Combined with innovation platform development, these systems continuously improve the R&D innovation management framework covering project initiation, incentives, and other processes, promoting systematic, standardized, and efficient R&D operations.



Technical Committee's Organizational Chart

Key Performance

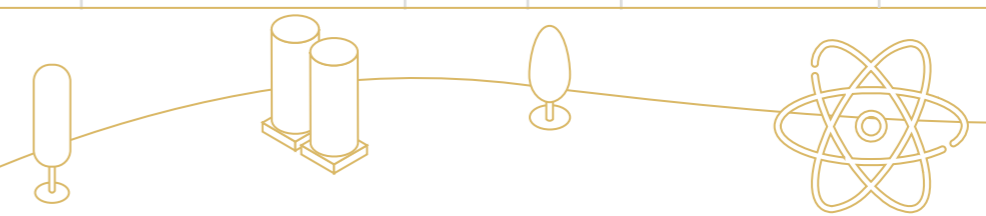
R&D Investment: RMB **551.0999** million
 Proportion of Revenue: **3.40** %

Driven by an excellent innovation management system and sustained R&D investment, the Company has been recognized as a National Technology Innovation Demonstration Enterprise, National Intellectual Property Demonstration Enterprise, and National Quality Benchmark. Meanwhile, the subsidiary echelon has achieved significant results: 11 subsidiaries have been recognized as national high-tech enterprises, 1 has been awarded National Service-Oriented Manufacturing Demonstration Enterprise. In addition, the Company has more than 10 national and provincial-level science and technology innovation platforms, providing a solid foundation for continuous innovation.

Jereff Group Listed Three Times on the "Global Top 100 Innovation Companies"

Innovation Risk and Opportunity Identification

Risk Type	Risk Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact	Response Measures
R&D Project Implementation Risk	When launching new structural or process R&D projects in the oil & gas or new energy sectors, the lack of historical verification data may result in slower-than-expected progress.	Medium	Mid-term	Increase in operating costs: R&D project failures may result in financial losses, requiring additional funds for redevelopment, thereby increasing R&D costs.	<ul style="list-style-type: none"> Optimize and improve project initiation review and stage evaluation mechanisms. Strengthen "industry-academia-research" collaboration to diversify technical risks. Establish new component/new process trial procedures, verifying reliability through small-batch pilot production.
Technology Iteration Risk	With the accelerating global energy transition, misalignment of existing technology with industry innovation pace may lead to decreased competitiveness and market share.	Medium	Short-term	Decline in operating profits: Failing to keep up with new energy developments or breakthroughs by peers may reduce product competitiveness and market share, impacting profits.	<ul style="list-style-type: none"> Increase forward-looking R&D investment in areas such as electric drive, digitalization, and new energy to maintain technological leadership. Promote diversified technological development, reducing dependence on a single technical path.
Turnover Risk of Core Technical Personnel	The loss of core technical personnel could lead to technical disruption, insufficient R&D capabilities, and a decline in innovation ability, making it difficult to launch competitive new products or technologies, which would impact the Company's market competitiveness.	Low	Mid-term	Increase in operating costs: Additional funds may be required for talent recruitment and training to fill technical gaps, increasing human resource costs.	<ul style="list-style-type: none"> Develop career planning, provide continuous training for technical personnel, and help them achieve their career goals Sign confidentiality and non-compete agreements to protect core technologies and trade secrets, reducing the risk of technology loss



Intellectual Property Risks	Core technology may face infringement by others, or the Company's products /technologies may unintentionally infringe on third-party intellectual property, leading to legal disputes.	Low	Short-term	<p>Increase in operating costs:</p> <p>High litigation and compensation costs increase corporate expenses.</p>	<ul style="list-style-type: none"> • Build a global intellectual property layout and actively apply for domestic and international patents • Establish strict IP review checkpoints in the R&D process
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Opportunity Type	Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact
Electric Drive and Turbine Fracturing Technology Opportunities	By leveraging the global energy industry trend of cost reduction, efficiency improvement, and low-carbon transformation, Jereh iterates and promotes next-generation high-end equipment such as electric drive and turbine fracturing technologies, establishing absolute technical leadership in unconventional oil and gas development.	High	Short to medium term	<p>Increase in operating incomes:</p> <p>The aim is to meet customers' urgent needs for low-cost, low-emission operations, capture market share from traditional diesel-driven equipment replacement and new electric drive markets, form a technological leadership advantage and generate patent licensing and technology service revenue.</p>
Gas Turbine Power Generation Opportunities	Aligning with the global trend of clean energy and flexible power systems, Jereh develops and promotes high-efficiency, low-carbon gas turbine power generation systems, addressing growing demand in industrial parks, distributed energy, and backup power scenarios.	Medium to High	Mid-term	<p>Increase in operating incomes:</p> <p>Expanding markets for gas turbine equipment sales, power plant construction, and long-term operation and maintenance services; providing efficient power generation and cogeneration solutions helps customers reduce energy consumption and carbon emissions, generating project revenue and recurring service income.</p>

Innovation Risk and Opportunity Management

In frontier technology R&D and emerging business development, Jereh Group systematically manages risks and opportunities in innovation through project risk registers and special identification mechanisms, covering four types of "new, unusual, difficult, and unique" risks, including new technology applications, special customer and regulatory requirements, core technology challenges, and design differences. The Company enhances teams' forward-looking risk identification and systematic response capabilities through innovation training, and relies on structured measures such as selection assessment, simulation analysis, cross-department collaboration, upgrade reviews, and impact analysis to transform potential risks into technological breakthroughs and market opportunities, achieving a dynamic balance of project control and innovation development.

Case

Learning and Sharing through "Tiangong Lecture"

To continuously empower the R&D team, Jereh Group has established the "Tiangong Lecture" as a regular learning and sharing platform, inviting R&D personnel monthly to share frontier technology and project practice insights. It has become a key vehicle for maintaining technical foresight, fostering innovative exchanges, and building a learning-oriented ecosystem.



Training Session of Tiangong Lecture

Case

Innovation Case Sharing at Jereh Oil & Gas Engineering

During the reporting period, Jereh Oil & Gas Engineering focused on improving equipment R&D and engineering services, using department morning meetings as a platform for innovation exchange and organizing multi-dimensional case sharing. Content includes technical optimization such as unit motor modifications, fuel tank structure innovation, welding standards, peer pressure station skid processes, PMS platform applications, and radiator material selection, aiming to continuously broaden innovative thinking through case learning.



Innovation Case Sharing Meeting at Jereh Oil & Gas Engineering

Achieving Innovation Targets

Jereff Group treats technological innovation as the core development engine, fully advancing the "Jereff Group Development 2.0" strategy, deepening systematic technological and management reforms, maintaining product technology leadership across business segments, and steadily transforming into a technology-driven innovative enterprise.

During the reporting period, all R&D projects progressed steadily as planned, with 260 new patents registered and all R&D indicators fully achieved. Looking forward, the Company will fully promote industrialization and market transformation of new products, achieving breakthroughs in both industry presence and output value.

Deepening Full-Chain Innovation Management

R&D Team Development

Jereff Group positions its R&D team at the core, committed to building a high-level independent R&D capability. During the reporting period, the Company promoted knowledge sharing and experience accumulation through systematic training, case sharing, and technical exchanges, continuously enhancing the team's professional skills and stimulating innovative thinking. To build a sustainable talent pipeline, the Company aligns talent development closely with R&D practice and introduces external think tank resources such as "Innovation China" to empower team growth.

Key Performance

Number of R&D personnel: **1,430** persons Proportion of R&D personnel: **18.52%**

Incentives for R&D Innovation

Jereff Group continuously unleashes the innovative potential of R&D personnel through institutional incentives, issuing the *R&D Innovation Incentive Management Measures* and establishing awards such as the Tiangong Award, R&D Implementation Award, and Technological Progress Award to precisely reward technological breakthroughs and achievement commercialization. The Company has also established a standardized R&D career qualification system, deeply integrating professional capability grading with incentive mechanisms, linking capability value directly to rewards, fully motivating R&D personnel's innovation enthusiasm and problem-solving energy, and accelerating new product and technology breakthroughs and commercialization.

Case

Jereff Group Orange Craftsmen

Jereff Group implements the "Process Optimization Naming + Display Stand" honor incentive approach, effectively stimulating employees' innovation enthusiasm and sense of belonging. Combined with a comprehensive talent promotion mechanism and market-based compensation system, this approach supports talent retention and internal technology inheritance, creating a culture that respects innovation and strengthening the Company's technological soft power, laying the talent and cultural foundation for product upgrades and quality improvement.



Orange Craftsmen Display Stand

Protection of Intellectual Property Rights

Strictly adhering to applicable laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, Jereff Group continuously updates and improves the *Intellectual Property Management System* to systematically regulate intellectual property risk prevention, patent management, and protection incentives. Meanwhile, the Company has established a dedicated Intellectual Property Department, comprising the Patent Application Center, Licensing and Litigation Center, and Trademark and Process Center, managing patents, trademarks, trade names, copyrights, and domain names across all units. Each unit has designated personnel to coordinate implementation, jointly building a robust protection system.

The Company emphasizes intellectual property management, using patent applications and other means to build a solid legal protection network for innovation achievements. The Company and five subsidiaries, including Jereff New Energy Regeneration and Recycling and Jereff Equipment, have obtained GB/T29490-2013 intellectual property management system certification.



Intellectual Property Management System Certification

Key Performance

By the end of the reporting period, the Company held a total of **2,122** valid authorized patents:

Invention patents: **649** Utility model patents: **1,376** Design patents: **97**
 Software copyrights: **170** Trademarks: **379**

Total patent authorized in the year: **260**

Invention patents: **149** Utility model patents: **105** Design patents: **6**

Case

"Dual-Orientation" Key Layer Fracturing Process and Complete Equipment Achieve New Underground Anti-Collapse Technology Breakthrough

In January 2025, Yantai Jereh Machinery Equipment Co., Ltd., in collaboration with China Coal Xi'an Design Engineering Co., Ltd., successfully applied the "Dual-Orientation" key layer fracturing process in the Datang Guoyuan Mining Longwanggou Mine key layer treatment project. This marks the technology system's domestic leading level and showcases its innovative strength in underground coal mine key technologies.



"Dual-Orientation" Key Layer Fracturing Process Application

Case

2025 Mid-Year R&D and Intellectual Property Conference of Jereh Group

In August 2025, Jereh Group held the "Precise Insight, Winning Execution" Mid-Year R&D and Intellectual Property Conference at its headquarters, attended by the R&D team and managers at all levels. The conference reviewed breakthroughs in technology innovation and intellectual property over the first half of the year and ceremoniously recognized "R&D Stars" from business units for outstanding contributions in R&D.



2025 Mid-Year R&D and Intellectual Property Conference

Case

AI•R FRAC Intelligent Well Site Fracturing Solution Officially Released

In March 2025, Jereh Group launched the world's first systematic intelligent fracturing solution—AI•R FRAC. The system integrates intelligent decision-making, equipment monitoring, smart manifolds, well site safety, power transmission, closed-loop sand mixing, electric fracturing, and well site efficiency modules. Driven by AI, it enables intelligent data analysis, real-time risk alerts, and scientific decision-making throughout the fracturing process, and is already applied on-site.



Oil and Gas Industry Experts Gather at the Launch Event

Case

Jereh New Energy Regeneration and Recycling Selected in the First Batch of "Retired Wind and Photovoltaic Equipment Recycling Enterprise Recommendation List"

In May 2025, Jereh New Energy Regeneration and Recycling, a wholly owned subsidiary, was included in the first batch of "Retired Wind and Photovoltaic Equipment Recycling Enterprise Recommendation List", leveraging its globally leading integrated recycling solution. This demonstrates its innovation leadership in renewable energy and environmental protection, injecting core value into sustainable industry development.



Enterprise Recommendation List Launch Ceremony

R&D Innovation Achievements Showcase

R&D Breakthroughs

Jereh Group and its subsidiaries focus on developing new-quality productivity, deeply cultivating independent innovation while continuously deepening strategic cooperation with leading industry companies, research institutes, and universities, jointly building a collaborative industry-academia-research innovation ecosystem to promote breakthroughs in core industrial technologies and overall competitiveness. The Company has undertaken over 80 national and local research projects, with 23 achievements reaching internationally advanced levels, 11 winning Shandong Provincial Science and Technology Progress Awards, and 3 receiving the Shandong Industrial Design Gold Award, fully demonstrating solid independent innovation capabilities and setting an industry benchmark.

Case

Jereh New Energy Regeneration and Recycling Lithium Battery Resource Recovery Equipment Included in National Catalogue

In November 2025, Jereh New Energy Regeneration and Recycling, through its deep expertise and innovative practices in lithium battery resource recovery, was officially included in the Ministry of Industry and Information Technology's *Catalogue of Advanced and Applicable Technologies and Equipment for Comprehensive Industrial Resource Utilization (2025 Edition)*, receiving national-level recognition. This inclusion provides important guidance for industry technology upgrades, supports the cultivation of green new-quality productivity, and promotes high-quality development of the resource recycling industry.



2025 World Power Battery Conference Onsite

Industry Leadership

As a responsible industry leader, Jereh Group and its subsidiaries actively participate in the formulation and revision of national, local, industry, and group standards, guiding technological norms and quality upgrades, co-building an open, collaborative, healthy, and orderly industry ecosystem, and promoting Chinese manufacturing toward higher standards and quality. During the reporting period, the Company and its subsidiaries completed the preliminary formulation and revision of multiple standards, entering stages of public consultation, review, or pending approval and release, laying a technical consensus foundation for subsequent industry development.

Participation in Standards Compilation in Recent Two Years

Standard Name	Standard Category	Participating Entity
GB/T 33653-2025 Energy Consumption Test and Calculation Method for Oilfield Production System	National Standard	Jereh Equipment
GB/T 17350-2024 Classification, Name, and Model Compilation Methods for Special Motor Vehicles and Special Trailers	National Standard	Jereh Equipment
T/CPI 19001-2024 Guideline for Electricdrive Fracturing Equipment Tender Requirements	Group Standard	Jereh Equipment
T/CPI 19002-2024 Guideline for Evaluating Electricdrive Fracturing Equipment Bids	Group Standard	Jereh Equipment
T/CPI 19003-2024 Guideline for Preparing Electricdrive Fracturing Equipment Procurement Document	Group Standard	Jereh Equipment
T/CRRA 9920-2024 Evaluation Standards for Photovoltaic Power Equipment Recycling Enterprises	Group Standard	Jereh New Energy Regeneration and Recycling
T/CRRA 9918-2024 Evaluation Standards for Wind Power Equipment Recycling Enterprises	Group Standard	Jereh New Energy Regeneration and Recycling
T/CRRA 9915-2024 Guidelines for the Evaluation of Decommissioned Assets in Wind Farms	Group Standard	Jereh New Energy Regeneration and Recycling

Case

Jereh New Energy Regeneration and Recycling Leading National Standard Pre-Research

In June 2025, the 14th working meeting of the Vehicle Power Battery Recycling Standard Working Group was held in Yantai, Shandong. As the core leading party, Jereh New Energy Regeneration and Recycling, together with Guangdong Brunp Recycling Technology Co., Ltd., promoted pre-research for national standards such as *Vehicle Power Battery Recycling Equipment Part 2: Intelligent Crushing and Disassembly Equipment* and *Safety Technical Specifications for Vehicle Power Battery Disassembly and Crushing Equipment*, jointly advancing standardization in the power battery recycling industry.



Vehicle Power Battery Recycling Standard Working Group

Case

Jereh Group Supporting the Internationalization of National Standards

In August 2025, Jereh Group participated in hosting the expert review meeting for the foreign-language version of the national standard *Corrosion-Resistant Alloy Coiled Tubing*. Organized by the Petroleum Specialized Pipe Sub-Technical Committee under the China National Technical Committee for Petroleum and Natural Gas Standardization, the meeting focused on the theme of "Standard Internationalization and Technology Co-Advancement". Experts from the subsidiary Jason Energy and more than ten authoritative industry representatives attended, discussing standard review and contributing to the development and implementation of the foreign-language national standard *Corrosion-Resistant Alloy Coiled Tubing*, promoting standardization in the coiled tubing field.



Foreign-Language National Standard Expert Review Meeting

Digital-Intelligent Integration

Based on the energy industry's digital and intelligent transformation trends, Jereh Group integrates artificial intelligence deeply into industrial scenarios, systematically advancing industry digitalization. With technology-driven core, AI has been widely applied to critical scenarios including smart operation and maintenance of oil and gas equipment, operational optimization, and predictive maintenance, gradually building new service capabilities centered on data intelligence. In the future, the Company will continue increasing R&D investment and collaborating with partners to build an innovation ecosystem, promoting intelligent upgrades across the full industry chain.

Case

Jereh AI Supporting Cost Reduction and Efficiency Enhancement in Compressor Stations

In August 2025, Jereh Oil & Gas Engineering launched the "Compressor AI Remote Intelligent Diagnostic Analysis System", which analyzes vibration, temperature, and other data to accurately predict faults, advancing maintenance from "scheduled maintenance" to "condition-based maintenance". The system successfully extended a unit's maintenance cycle from 8,000 hours to 10,750 hours, effectively reducing maintenance costs and gas transmission losses.



Compressor AI Remote Intelligent Diagnostic Analysis System

Case

Jereh Showcasing Multiple AI Oil & Gas Innovation Technologies at ADIPEC

In November 2025, Jereh presented at ADIPEC 2025 under the theme "Powering Energy That Thinks", showcasing AI innovation in the oil and gas sector through digital sand tables and other multidimensional formats. The Company launched AI-R FRAC intelligent fracturing system, smart manifold equipment, and intelligent inspection robot InEscort, enhancing energy system resilience and operational efficiency, attracting global oil and gas companies, and supporting intelligent transformation in the energy sector through digital-intelligent capabilities, reshaping industry development patterns.



ADIPEC Exhibition – Jereh Booth

Case

Jereh Agile Power Energy's Innovative Power Generation Solutions Enter North American Data Center High-End Market

In November 2025, Jereh Agile Power Energy signed a multi-million-dollar generator set sales contract with global AI industry leaders. Using fully self-owned modular, intelligent power generation solutions, the Company successfully entered the high-end power market for North American data centers. The products feature high integration and scenario adaptability, with core technologies such as intelligent microgrid control ensuring stable and efficient power supply, complemented by full-lifecycle one-stop services, enhancing reliable power provision in digital scenarios and supporting global digital infrastructure energy needs.

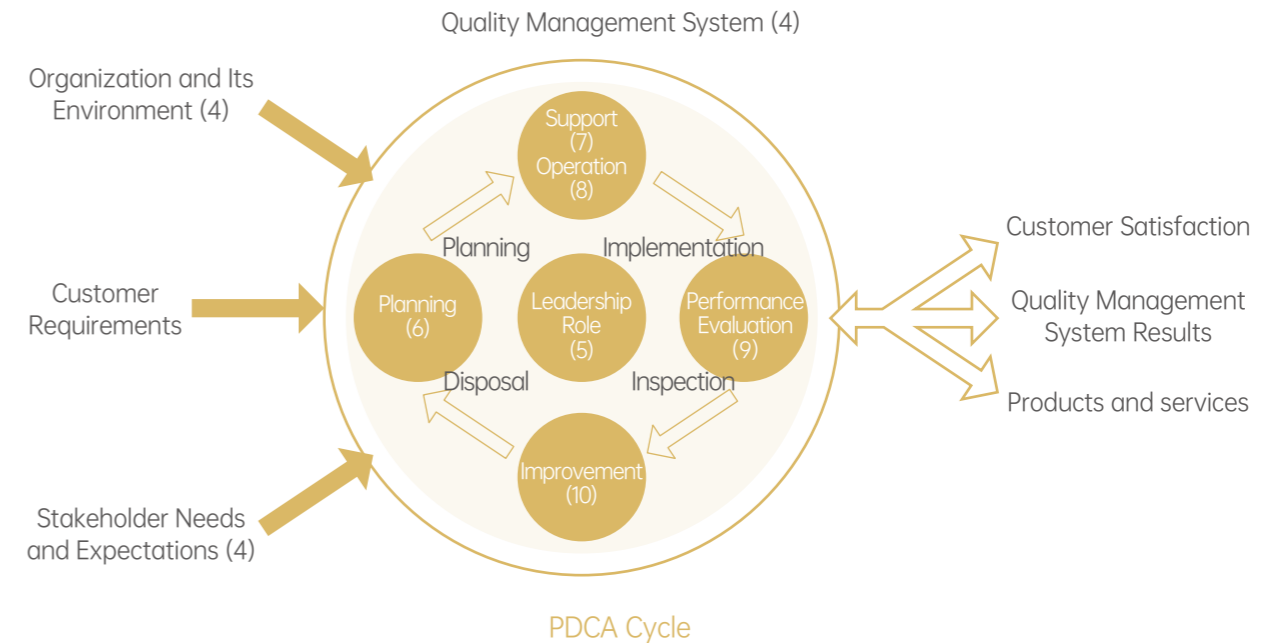


AIDC Rendering

Product and Service Quality

Improving the quality management system

Jereh Group and its subsidiaries strictly comply with the *Product Quality Law of the People's Republic of China* and ISO 9001 quality management system requirements, developing internal norms such as the *Quality Manual*. By clarifying quality management organization, detailing responsibilities and core tasks for each position, the Company establishes a comprehensive quality management system covering all processes and factors, ensuring high-standard, premium-quality products. Simultaneously, the Company implements the PDCA cycle method, with professional support from the QHSE department, to achieve closed-loop lifecycle management of product and service quality.



The Company is the first oil service enterprise in China to pass API Q1, API Q2 certification and API QHSE integrated management system certification. By the end of the reporting period, the Company and multiple subsidiaries have obtained ISO 9001 certification; Jereh Energy Services Abu Dhabi Branch obtained API Q2 certification, the first API Q2 certificate for Jereh Energy Services in overseas regions.



API Q1 Certification of Jereh Oil & Gas Engineering



Quality Management System Certificates of Some Subsidiaries of Jereh



Quality Risk and Opportunity Identification

Risk Type	Risk Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact	Response Measures
Product quality risk	If the Company develops new equipment or provides related service technologies that are not yet mature, there may be product performance instability or even safety accidents, leading to regulatory fines for the Company, while also affecting the product's market competitiveness.	Low	Mid-term	<p>Increase in operating costs: If the Company needs to recall products due to performance issues, this will directly lead to product recall losses, damage the Company's reputation, trigger breach of contract compensation, and further increase financial pressure.</p> <p>Increase in non-operating expenses: If a safety production accident occurs due to immature new product technology, the Company will face fines, and non-operating expenses will increase.</p>	<ul style="list-style-type: none"> Increase R&D investment and continuously optimize product services and technologies Strengthen product quality control, strictly control quality standards at every stage from design, production to delivery Develop detailed emergency plans for potential technical or service issues
After-Sales Service Risk	Insufficient response time, limited fault repair capability, delayed spare parts supply, or substandard service may disrupt customer operations, reduce satisfaction, and affect brand reputation and long-term cooperation.	Low	Short-term	<p>Increase in operating costs: Delayed product delivery may trigger customer claims and contractual penalties, directly increasing operating costs.</p> <p>Decline in operating profits: Poor after-sales service may cause customer dissatisfaction, leading to loss of customers, reduced future orders, and revenue impact.</p>	<ul style="list-style-type: none"> Establish a rapid response service network and spare parts reserve system Implement service standardization and customer satisfaction follow-up mechanisms Establish escalation handling and closed-loop management for major complaints

Opportunity Type	Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact
Digital Opportunities in Quality Management	Build an integrated and visualized quality management information platform to enable traceable and analyzable quality data throughout the supply chain and after-sales processes, shifting quality decision-making from experience-driven to data-driven.	High	Long-term	<p>Decline in operating costs: Use data insights to prevent potential risks and reduce losses caused by quality issues.</p> <p>Increase operating profit: Provide customers with transparent quality reports, enhance cooperation confidence, improve brand reputation, and drive order growth.</p>

Quality Risk and Opportunity Management

Jereh Group and its subsidiaries prioritize quality risk management. Based on the *Risk Management and Emergency Response Control Procedure* and *JES Risk and Opportunity Management Procedure*, they establish a risk and opportunity management mechanism covering quality and service, spanning identification, assessment, control, and continual improvement. Risk analysis is conducted using methods such as LDC, with controls implemented according to risk level, while simultaneously identifying opportunities for quality improvement, achieving closed-loop management and continuous performance enhancement.



Quality Risk Management Flowchart of Jereh Oil & Gas Engineering

Enhancing Product and Service Quality

Product Quality Inspection

Jereh Group and its subsidiaries strictly follow industry norms and quality-related standards, developing internal management documents such as *Inspection and Test Control Procedure* and *Project Quality Management System*, optimizing product inspection processes and strengthening quality control. Dedicated quality improvement positions are established to analyze and correct quality issues, supported by part-time quality staff, with regular internal and external quality review activities to ensure product quality and delivery reliability.

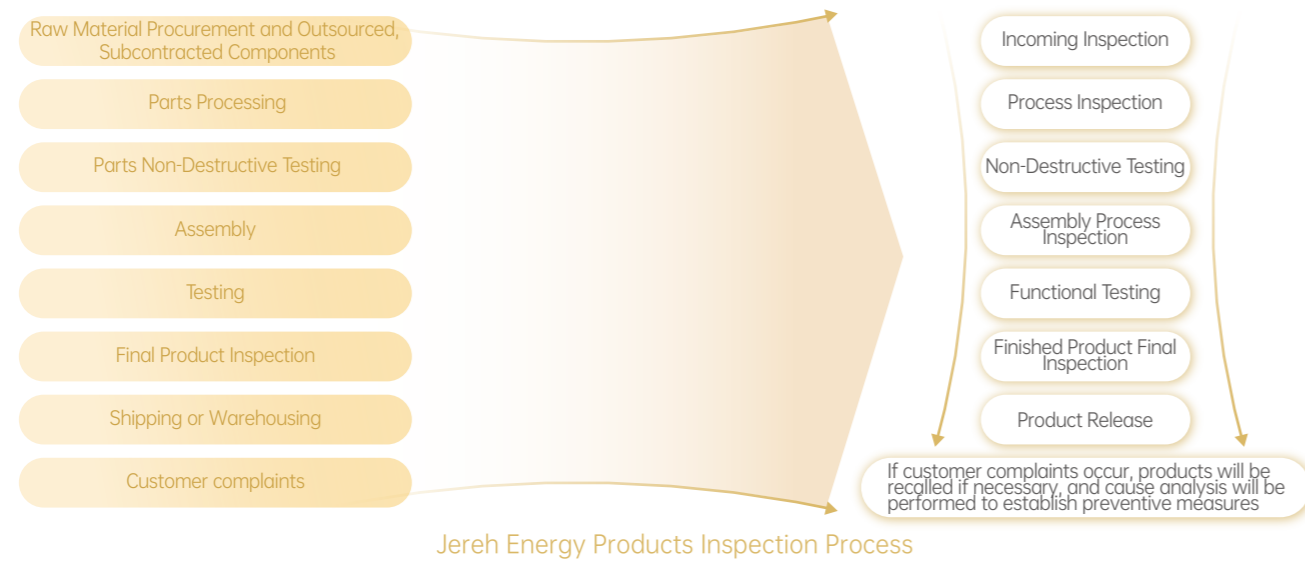
The Company's metrology and physical-chemical testing center is CNAS-accredited, with equipment, personnel, and management systems meeting international standards, providing precise and scientific testing data to provide solid support for petroleum equipment and technical services. During the Reporting Period, Jereh Group and its subsidiaries conducted a total of 13 quality risk assessments, carried out 4 annual internal quality audits, and hired a third-party agency for random inspection 6 times.



Jereh Group CNAS Laboratory Accreditation Certificate

Key Performance

Product pass rate: **99.88%**



Jereh Energy Products Inspection Process

Quality System Audit

Jereh Group and its subsidiaries regularly conduct internal quality system audit activities by forming a professional internal audit team. Based on the ISO quality management system standard, they comprehensively review the processes, document records, and actual operations of each department to timely identify and correct potential problems, ensuring the effective operation and continuous improvement of the quality management system.

Case

Jereh Equipment Steadily Advances Quality System Audits

In 2025, Jereh Equipment steadily advanced quality management system audit work, including DNV ISO 9001 scope expansion, API Q1 scope expansion, and annual supervisory audits of the measurement management system, successfully covering photovoltaic products, control panels, and conference signage. Additionally, two types of quality system recertification audits are being orderly conducted to continuously strengthen system compliance and effectiveness.



Quality System Audit Onsite

Quality Performance Evaluation

To strengthen quality management responsibility, Jereh Group and its subsidiaries established complementary quality management incentive and penalty mechanisms, linking quality-related indicators directly to performance evaluations for employees and management, fully motivating participation in quality management and continuously improving product and service quality.

Product Recall Mechanism

Jereh Group and its subsidiaries have established a *Defective Product Recall System* to regulate collection, analysis, tracing, decision approval, recall execution, and product handling, ensuring rapid initiation of recalls and lifelong product quality responsibility when sold products have design, manufacturing, labeling, safety, or environmental defects or hazards, effectively protecting customer rights. During the reporting period, no engineering or product recalls occurred in the Company and its subsidiaries due to quality issues.

Quality Culture Development

Guided by annual quality improvement, Jereh Group and its subsidiaries organized multi-level, multi-domain quality training, focusing on quality month activities, failure case analysis, key equipment operation and maintenance, special processes, and inspection techniques. Training combined specialized skills with hands-on exercises to enhance technical R&D, manufacturing, and quality control personnel's professional abilities and reinforce company-wide quality awareness.

Key Performance

Quality training sessions: **131** Training hours: **4,710** Training participants: **5,858**



Equipment Failure and Hazard Analysis Training of Jereh Energy Services



Key Equipment Operation Knowledge Training of Jereh Oil & Gas Engineering



Special Process and Technical Capability Training of Jereh Equipment

Achieving Quality Management Goals

To ensure comprehensive achievement of annual quality management goals, Jereh Group and its subsidiaries continuously optimize production processes, strengthen employee training, and introduce advanced quality management tools and technologies, systematically improving product and service quality. During the reporting period, all quality targets were under control, and overall work consistently met high-standard quality.

Company Name	Main Subsidiaries' 2025 Quality Objectives	Compliance status
Jereh Equipment	Product incidents: 0 Closed-loop rectification completion rate: 100%	Achieved
Jereh Oil & Gas Engineering	Customer satisfaction \geq 90% Early Failure Rate \leq 2 items/unit In-plant failure rate \leq 7 items/unit Process document anomaly rate \leq 0.2 items/unit Production welding pass rate \geq 98% Material arrival pass rate \geq 90% Inspection accuracy rate \geq 99.7%	Achieved

Protection of Customers' Rights and Interests

Standardizing Service System

Jereh Group places high emphasis on customer needs and has established a comprehensive customer service management system. The Company has formulated specialized procedures, including the *After-sales Service Management Procedure*, *Delivery Project and After-sales Safety Management System*, *Customer Management Procedure*, *Customer Satisfaction and Feedback Handling Management Procedure*, *Continual Improvement Management Procedure*, and *Customer Complaint or Grievance Response Handling Management System*, covering full lifecycle customer service management. These measures enhance the efficiency of hierarchical response to customer requests, improve service quality traceability and review mechanisms, and ensure standardized and efficient service.

"2485" Response Mechanism

- On-site issues: Respond within 2 hours
- Provide emergency measures and secondary response within 24 hours
- Provide preliminary cause and countermeasures within 48 hours
- Provide a complete analysis report within 5 days

Regular After-Sales Follow-up

Organize quarterly follow-ups on after-sales sites and no less than 2 on-site visits per year

Whole-Life-Cycle Management

Establish records for all equipment, covering the entire lifecycle of research, production, supply, sales, and service, with all information retained in real-time for future use

Improving Service Quality

Jereh Group, with Yantai as its global hub, has built an international service network covering over 60 major cities to ensure a timely response to customer needs. Throughout the service process, the Company regularly conducts after-sales follow-ups, efficiently handles customer complaints, and continuously improves service quality. Service teams receive professional skills training, with performance evaluations centered on assessment results to strengthen service capability. Customer feedback is collected across response timeliness, service attitude, and technical ability, followed by in-depth root-cause analysis to generate specialized customer satisfaction reports, driving continuous enhancement of the customer service experience. During the reporting period, the Company achieved a 100% customer complaint resolution rate, demonstrating tangible service results.



On-site Service Control Procedure Training at Jereh Oil & Gas Engineering



Customer Service Concept Training at Jereh Equipment

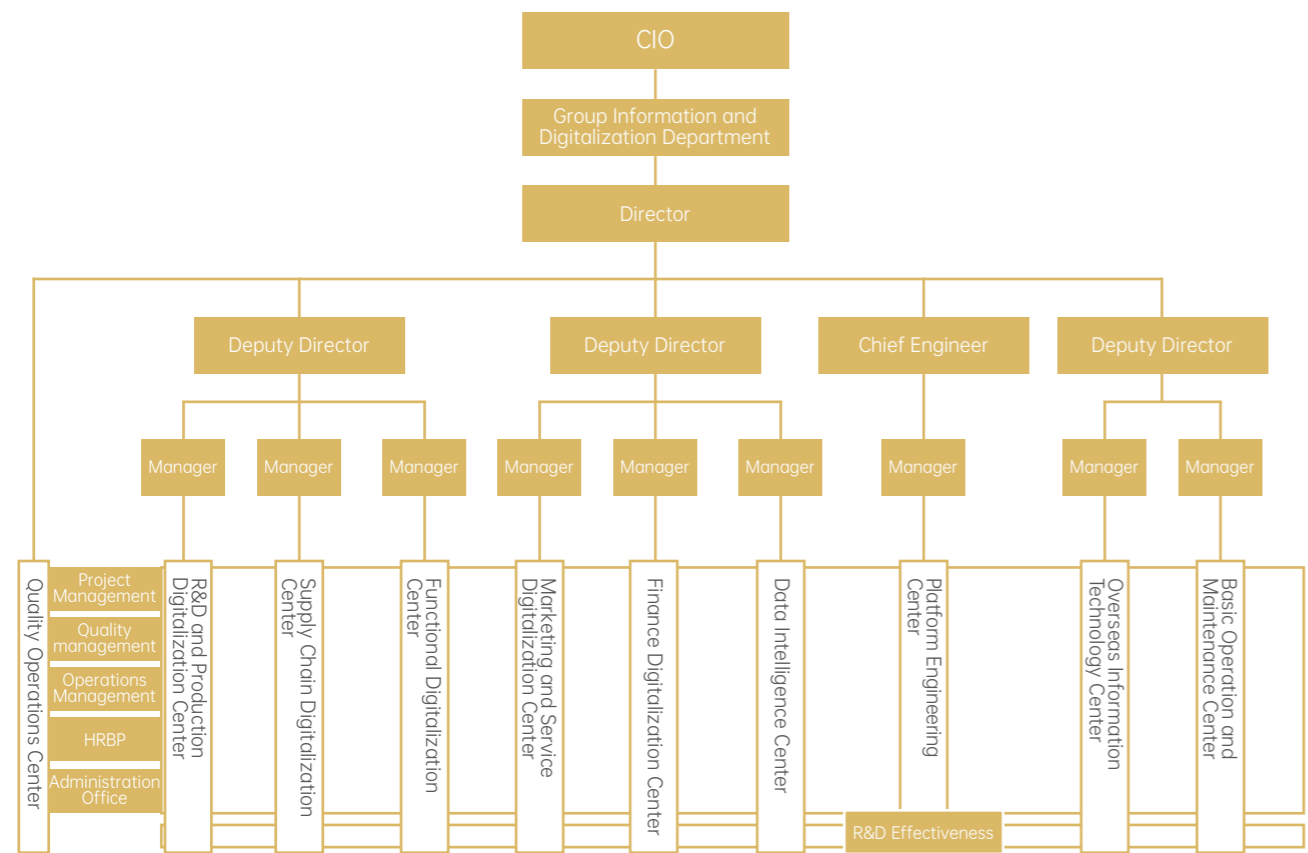
Strict Protection of Data Privacy

Information Security Management System

Jereh Group strictly implements laws and regulations including the *Cybersecurity Law of the People's Republic of China*, establishing internal documents such as the *Information Security Management Manual* and *Information Security Committee Operation Management Regulations*, setting up the Information and Digitalization Department, and forming the Information Security Committee. A comprehensive information security management system is in place to ensure the integrity, availability, confidentiality, and controllability of company information. Currently, the Company has obtained authoritative certifications such as the AA-Level Integration of Informatization and Industrialization Management System Certification, Tier 3 Information System Level Protection Certification, and ISO 27001 Information Security Management System Certification.

Key Performance

Data security investment: RMB **2.8** million Information security and privacy incidents: **0**



Organizational Structure of Information System



Integration of Informatization and Industrialization Management System Certification Certificate



Information Security Management System Certificate

Information Security Management Measures

Information Security Management

Jereh Group strictly follows the *Personal Information Protection Law of the People's Republic of China*, establishing an all-encompassing protection system covering network security, data encryption, and data backup, ensuring that supplier, customer, and employee data are not leaked, altered, destroyed, or illegally accessed, effectively safeguarding information security and data protection.

Information Security Management Strategies	
Cybersecurity Protection	<ul style="list-style-type: none"> • Firewalls, IPS, WAF, and other cybersecurity devices are deployed at key network nodes, with detailed network policy settings; • The Company's internal servers and employee computers are equipped with endpoint security protection software; • All security threat logs collected by network security devices and endpoint security software are unified and summarized, and security event analysis and disposal are carried out by the security operation platform.
Data Encryption	<ul style="list-style-type: none"> • All employee computers and servers storing critical data are installed with data encryption software to prevent data leakage.
Data Backup	<ul style="list-style-type: none"> • Data backup is carried out using multiple data protection technologies, including disk RAID, disk array synchronization, distributed storage, database synchronization, server snapshots, periodic backups of all information systems, and offsite disaster recovery, to ensure that data is not lost.

Information Security Audit

Jereh Group incorporates information security into company-level risk management, regularly conducting information security management system audits, maintaining system effectiveness through routine evaluation and iterative optimization. In 2025, the Company's all regional management systems under external audit confirmed their effective operation.

Internal Information Security Audit (Annually July-August)

Conduct internal information security audits and management reviews to identify potential security risks in advance, ensure the effectiveness of the management system, and prepare for external system audits.

External System Audit (Annually November-December)

Entrust third-party professional institutions for external system audits to comprehensively prevent risks in information security, database protection, and user information security, implementing corrective actions based on audit reports to ensure continuous optimization and effective operation of the management system.

Information Security Emergency Response

Jereh Group has developed the *Emergency Response Plan for Data Information Security and Data Center Fire Protection Plans* based on different types of information risks, classifying cybersecurity incidents, analyzing the risk levels, and producing risk identification and assessment tables to further enhance the ability and level to prevent and control sudden network and information security incidents. During the Reporting Period, the Company carried out internal and external information security drills multiple times to prevent and reduce the damage and impact of various unexpected events on information systems, ensuring the secure and stable operation of information systems.

Information Security Training

In terms of information security awareness, Jereh Group implements a routine information security promotion mechanism. On one hand, it conducts multiple rounds of information security knowledge training and internal and external specialized drills to systematically strengthen employees' security awareness and practical skills; on the other hand, it utilizes "Information Security Month" as a key platform to organize knowledge competitions, seminars, and other activities, cultivating an atmosphere where "everyone pays attention to information security, and everyone participates in information security construction".

Key Performance

Information security training sessions: **20**

Number of trainees: over **7,500**

Employee training coverage: **100%**

Digital-Driven Efficiency Enhancement

Jereh Group centers on information and digitalization, systematically planning the Company-level digital development path from 2024 to 2026, continuously optimizing IT processes, iteratively upgrading business systems, and building a unified technical platform to comprehensively improve operational efficiency and management accuracy.

The Company focuses on building a secure, reliable, and scalable enterprise-level digital architecture, strengthening system integration and data governance to support engineering upgrades and new energy expansion. Through systematic IT development, a solid digital foundation is established, ensuring that the Company maintains technological leadership and operational stability during digital transformation.

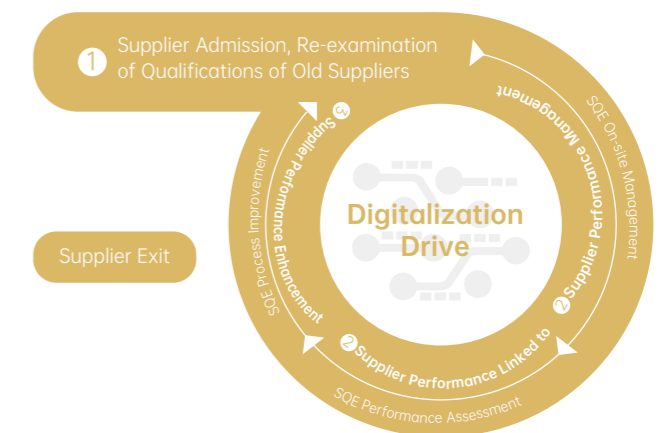
Key Digital Construction Projects in 2025 Business Domain

Project Name	Business Domain	Progress
Policy and Regulation Management Platform Project	IT Domain	A full lifecycle management platform was launched in 2025 and went online in August, covering process frameworks, external standards, policies, quality system documents, and lessons learned. This platform supports full-text search, process unification, knowledge assetization, and explicit performance, improving collaboration efficiency and reducing operational risks.
Master Data Management Project	IT Domain	A unified master data management platform was launched in February 2025 for standardized management of core data including finance, materials, customers, and suppliers, enhancing data quality and supporting enterprise decision-making.
MSA Spare Parts Management System Project	Production Domain	The project was started in September 2024, went online in February 2025, and was completed in 6 months. It achieves online management of pricing, procurement, and sales data, integrated with ERP inventory and substitute material data, using strategic calculation models to improve procurement response efficiency.
Recruitment System Project	HR Domain	The project was started in March 2024, went online in April 2025. It enables full-process online recruitment and establishes a corporate recruitment website, a talent pool sharing mechanism, an interviewer evaluation system, and multidimensional recruitment analysis, enhancing recruitment efficiency.

Collaborative and Responsible Supply

Implementing Supply Chain Governance

Jereh Group has formulated and implemented supplier management systems such as the *Supplier Management Standards*, the *Supplier Classification Management Measures*, the *Measures for the Administration of Supplier Annual Performance Evaluation*, and the *Supplier Handbook*. The Company sets the introduction standards and requirements based on category strategies and the current situation of suppliers, selects qualified suppliers that meet the qualification requirements, and has the procurement department work with the process, quality, technology, and other departments to carry out daily management, performance evaluation and audit evaluation of suppliers to achieve refined control of suppliers across the full life cycle.



Full Lifecycle Management of Suppliers

Supplier Management Mechanism

Supplier Access	Determine qualified suppliers fairly and impartially through procedures such as source investigation, entry surveys, reviewing qualifications, technical communication, on-site inspections, and sample testing.
Supplier Evaluation	Conduct performance evaluations at each stage based on the supplier's qualifications, environmental management, quality management, cost management, delivery management, and service conditions. Based on the evaluation results, classify suppliers into categories: Excellent Suppliers, Preferred Suppliers, Qualified Suppliers, and Unqualified Suppliers.
Identification of Supply Chain Risks	Review whether suppliers have passed certifications for environmental, quality, and occupational health systems and whether they have conducted comprehensive identification and control of risks related to the environment, society, and business cooperation.
Elimination of Suppliers	Terminate cooperation with any supplier that causes a major environmental pollution incident or safety accident, violates health and safety regulations more than three times, or engages in serious dishonest business practices during the fulfillment process.

Supply Chain Risk and Opportunity Identification

Risk Type	Risk Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact	Response Measures
Price Risk of Raw Materials	Raw material prices may increase due to trade policies, natural disasters, production costs, and other macroeconomic factors.	Low	Long-term	Increase in operating costs: Rising raw material prices directly increase procurement costs.	<ul style="list-style-type: none"> Flexibly adjust procurement strategies to respond to price fluctuations, including negotiations on price, payment terms, and supply proportions Sign long-term contracts with high-quality suppliers to lock in key raw material prices and reduce fluctuation risks
Supply Chain Compliance Risk	Cross-border procurement or delivery may violate international trade control regulations (e.g., China-US export control, sanctions lists) or involve non-compliant suppliers.	Medium	Long-term	Compliance risk costs: Seizure of goods, high fines, and business suspension directly affect overseas order delivery.	<ul style="list-style-type: none"> Establish supplier compliance review mechanisms to verify if suppliers or related parties are on restricted lists Conduct regular compliance training and optimize cross-border logistics routes.
Logistics and Delivery Risks	Large equipment (e.g., complete fracturing units) has long transport distances and challenges, or cross-border procurement of key components may face logistics congestion and geopolitical impact, causing delivery delays.	Medium	Short-term	Increase in operating costs: Costs include expedited shipping fees and a penalty for delayed orders.	<ul style="list-style-type: none"> Establish long-term partnerships with large logistics companies and optimize special equipment transportation plans Maintain safety stock of key components to shorten delivery cycles Prefer nearshore suppliers for critical cross-border components to reduce geopolitical impact

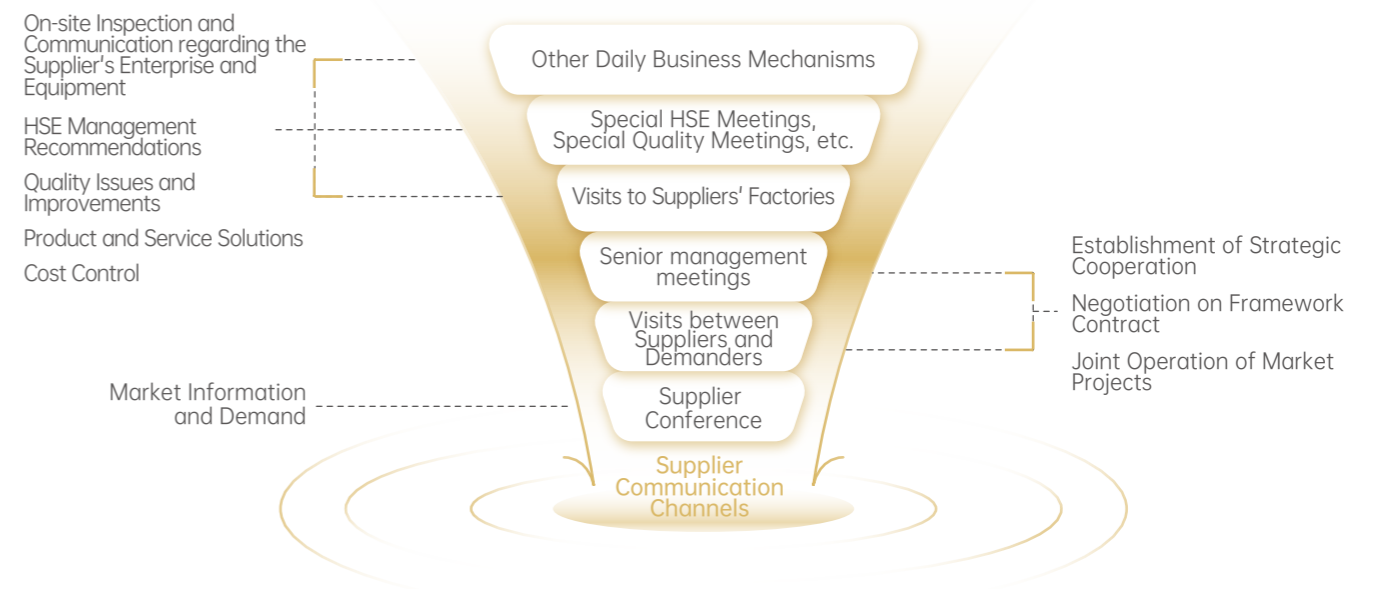
Opportunity Type	Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact
Opportunities in Management Efficiency	Supply chain collaboration and optimization helps to improve procurement, inventory management, and logistics processes, continually strengthen relationships with partners, and enhance the flexibility and adaptability of the supply chain.	High	Long-term	Decline in costs: This promotes supply chain collaboration, enhances cooperation with suppliers, and drives product quality improvement and cost reduction through information sharing and resource integration.
Green Supply Chain Development Opportunities	In response to the "dual carbon" policy, establish green supply chains for electric drive equipment, gas turbine power generation, and environmental protection equipment (e.g., energy-efficient motors, eco-friendly material suppliers), aligning with industry green transition demands.	High	Long-term	Increase in revenues: Obtain policy subsidies and green order preferences, expand supply chain business for new energy supporting equipment, and drive revenue growth.

Supply Chain Risk and Opportunity Management

Jereh Group analyzes market dynamics, supplier stability, and raw material price trends in depth by establishing strategic alliances with suppliers, conducting regular evaluations and audits, and scientifically using information exchange platforms. The Company refines supply chain risk management and opportunity capture, adopts diversified procurement strategies and long-term cooperation mechanisms to ensure supply chain resilience, and enhances overall competitiveness.

Strengthen Supplier Communication

Jereh Group builds a multidimensional, high-efficiency supplier communication mechanism. On the one hand, it periodically organizes supplier conferences to integrate online and offline channels, creating platforms for deep exchange, co-creation, and resource sharing; on the other hand, it irregularly conducts supplier satisfaction surveys to identify potential issues and optimization opportunities, continuously improving collaboration processes, refining details, and consolidating a mutually beneficial cooperation foundation.



Case

First Strategic Supplier Conference Successfully Held in Dezhou United Petro

In September 2025, themed "Harnessing Unity, Empowering the Future", Dezhou United Petro's first strategic supplier conference was successfully held in Dezhou, Shandong, focusing on strategic cooperation, sharing intelligent technology achievements, and jointly creating new blueprints for cost reduction and efficiency enhancement.



Supplier Conference Site

Improvement of Procurement Capability

Jereh Group continues to enhance procurement system capabilities, improving professional competence of supply chain personnel through multiple measures. The Company systematically integrates internal and external training resources, extending training to R&D, process, and other collaborative departments, strengthening cost awareness and quality control across the supply chain. The Company also establishes procurement professional career development and promotion channels, guiding employees to enhance professional skills and overall competence, providing talent support for high-quality supply chain operations.

Key Performance

Number of procurement training sessions: **4**

Number of employees received the training: **791**






2025 Procurement Negotiation and Cost Control Training

Supplier Sustainability

Supplier ESG Management

Jereh Group integrates responsible procurement principles into practice, strictly enforcing green standards, prioritizing environmentally compliant products with low environmental impact, high resource utilization, and low energy consumption. In supplier management, social responsibility performance, safety management capability, and environmental protection are included in supplier onboarding and continuous evaluation. By signing the *Jereh-Supplier Joint Commitment*, suppliers are required to fulfill QHSE (Quality, Health, Safety, Environment) commitments, promoting sustainable development values and building an environmentally friendly, responsibly shared green supply chain ecosystem.

Supplier QHSE Joint Commitment Terms

 Quality	<ul style="list-style-type: none"> Suppliers must ensure that product quality meets mutually agreed-upon shipping inspection and acceptance standards or complies with national and industry technical standards. Suppliers are obligated to establish and continuously optimize a QHSE system in accordance with international standards such as ISO 9000, Environmental Management System ISO 14001, Occupational Health and Safety Management System OHSAS 18001, or the American Petroleum Institute API Q1 requirements.
 Health and Safety	<ul style="list-style-type: none"> If suppliers need to use flammable, explosive, toxic, or hazardous materials in the provision of products or services, they must implement preventive measures to avoid fire, explosion, or leakage during storage and transportation, preventing environmental pollution. Additionally, vehicles transporting hazardous materials must display clear hazard warning signs. Suppliers must provide necessary training on environmental protection and safe operation practices for their workers. Personnel performing specialized operations must hold valid Special Operation Certificates. Suppliers must set up clear safety warning signs at construction sites, equip sufficient fire emergency equipment, and ensure unobstructed fire safety passageways.
 Environmental Protection	<ul style="list-style-type: none"> The products provided by suppliers and the raw materials used to produce these products must comply with international, national, local, and industry-related environmental protection applicable laws and regulations. Suppliers should prioritize using eco-friendly processes, equipment, and packaging materials with minimal or no pollution, while ensuring the quality of products or services meets the Company's requirements. During operations, suppliers should focus on conserving resources such as water and electricity, strengthen energy-saving and emission-reduction education for employees, and prevent environmental pollution caused by leaks, spills, or emissions.

Supplier Digital Management

Jereh Group continuously advances supplier digital management transformation to improve overall supply chain efficiency and transparency. The Company builds an SRM supplier digital management platform, integrating supplier onboarding, performance evaluation, quality management, procurement collaboration, contract management, and data governance, enabling full-process online collaboration and real-time information sharing with suppliers, breaking information silos and improving cooperation efficiency.



Using big data analytics and AI, the Company accurately monitors market trends, supplier operations, and potential risks, formulating more scientific management strategies, achieving real-time visibility, intelligent alerts, and dynamic control across the supply chain, upgrading management from "experience-driven" to "data-driven", ensuring precise and forward-looking procurement decisions.

Transparent procurement

Jereh Group considers business ethics and clean procurement as core to supply chain management, building a transparent and clean supply chain community based on systems, process control, and ecosystem co-creation. The Company adheres to the "sunshine procurement" principle, maintaining "zero tolerance" for corruption and fraud, embedding integrity requirements into the full procurement process via the *Agreement on Procurement Behavior* and the *Strategic Procurement Norms*.

To effectively manage risk, the Company implements a dynamic governance mechanism of "prevention – process supervision – transparent control". During execution, strict adherence to three-or-more bidding comparisons, supplier onboarding evaluations, and contract integrity clauses is enforced; process transparency and loophole control are ensured through special audits, key position supervision, and the *Reported Gifts Process*.

Additionally, the Company extends integrity requirements throughout the supply chain; all partners are required to sign the *Anti-Bribery and Integrity Agreement*, with compliance performance serving as a core criterion for collaboration evaluation. Any fraudulent behavior results in immediate termination of cooperation and accountability, fostering a fair and healthy business ecosystem.



Integrity Procurement: Mutual Conduct Guidelines for Partners

- Must not accept or solicit cash, vouchers, gifts, or any form of gratuity from partners.
- Must not privately accept hospitality from partners or privately entertain partner personnel.
- Must not conduct any private transactions or borrow/loan assets with partners.
- Must not develop private relationships with partners, solicit business, or seek improper benefits.
- Must not request or accept personal favors or preferential treatment from partners.
- Partners must not provide the above personal favors or benefits to Jereh employees.



Promotion of Transparent Procurement Principles



石油装备集团战略目标

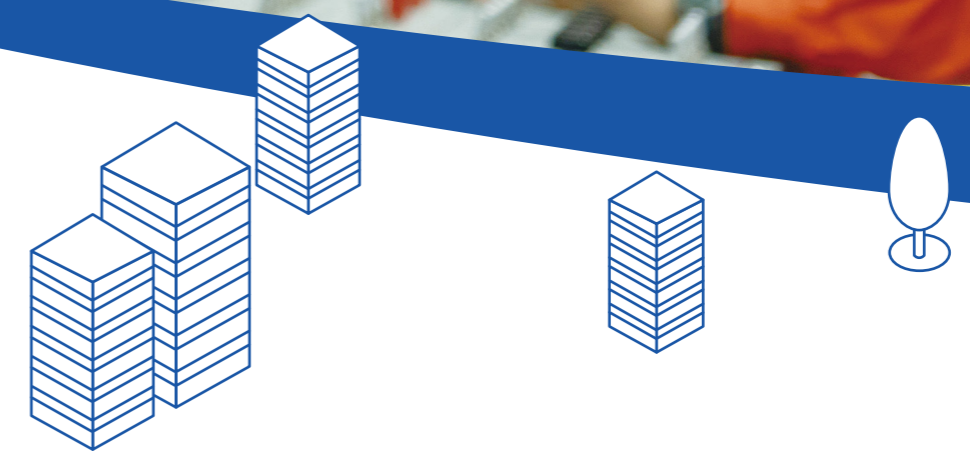
智慧杰瑞,

JEREH, TO BE A LEAD

Safety as the Priority: Building A Comprehensive Protection Network

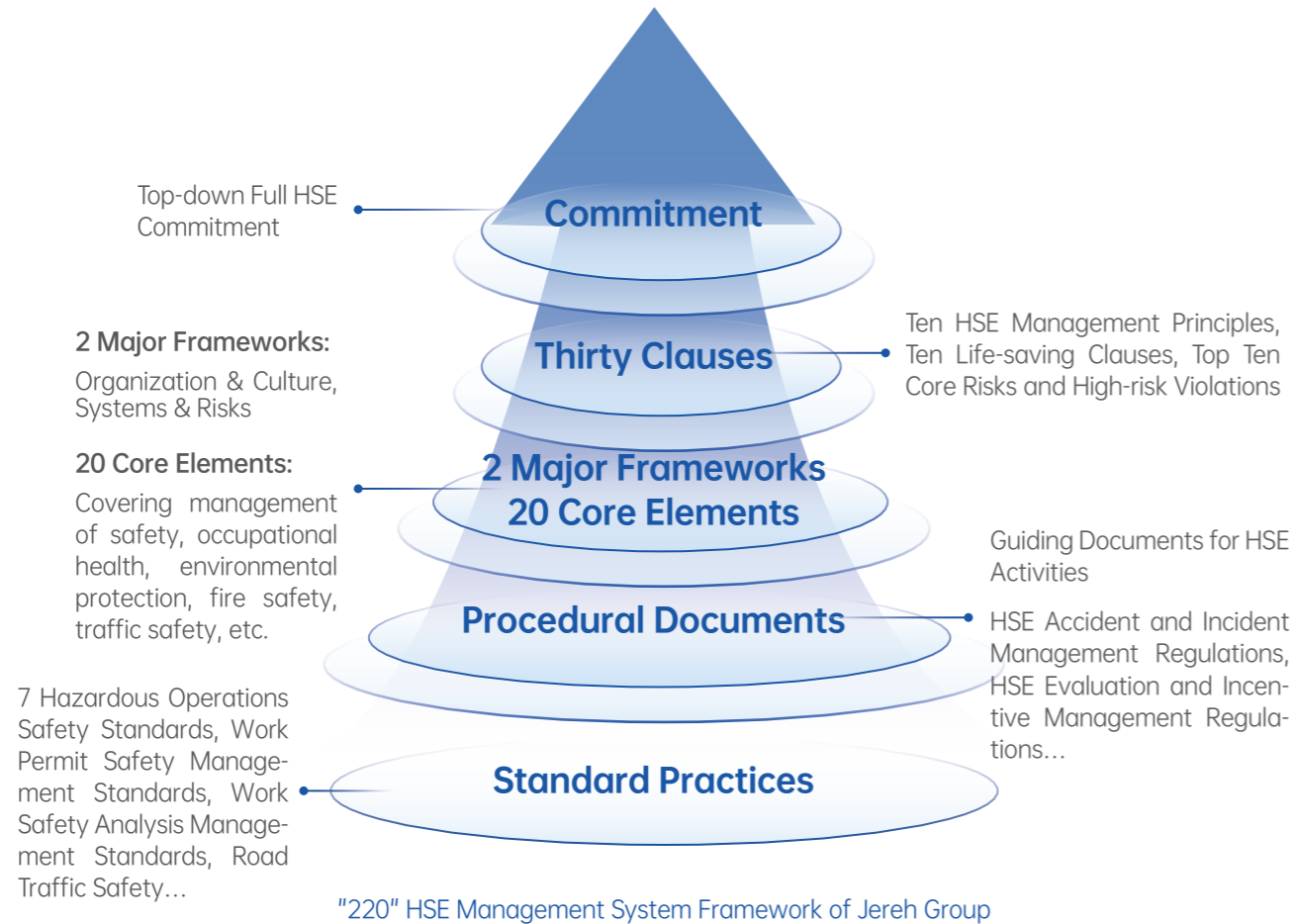
Jereh Group deeply recognizes that occupational health and safety are fundamental prerequisites for sustainable development. A sound occupational health environment and rigorous safety production controls effectively prevent occupational diseases and accidents, safeguard employees' physical and mental well-being, and enhance operational efficiency.

Responded UN Sustainable Development Goals (SDGs):



Health and Safety Governance

Jereh Group strictly adheres to occupational health and safety policies, treating safe production as the bottom line. The Company coordinates measures to protect personnel health and operational safety, continuously advancing the "220" HSE system, clarifying HSE policies and objectives, and strengthening fundamental risk prevention capabilities.

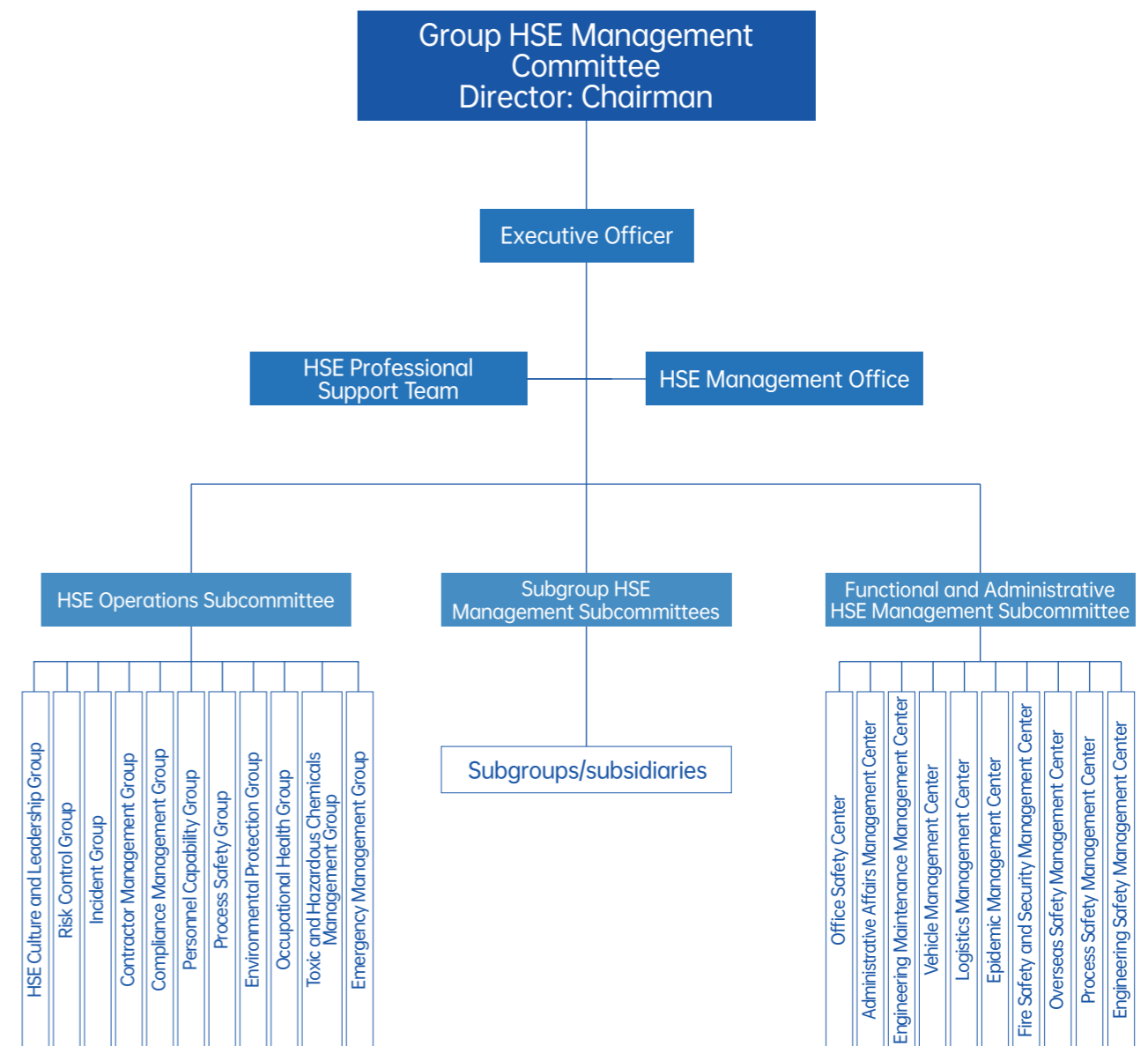


To establish a systematic HSE management system, the Company has set up an HSE Management Committee chaired by the Chairman and composed of senior management and department heads. This committee serves as the core decision-making body for HSE strategies, policies, and major issues. Concurrently, standardized procedures such as the *Occupational Health Management System*, *HSE Management Principles*, and *Accident Management Measures* have been developed, creating a management framework of institutional leadership + procedural support. All levels of HSE committees conduct regular meetings and work reporting to identify existing issues, formulate rectification measures, dynamically optimize improvement plans, and ensure comprehensive implementation of HSE initiatives.



Occupational Safety Management System Certification

Additionally, the Company has established dedicated occupational health teams. Each unit must designate an occupational health management department and assign full-time or part-time personnel to regularly monitor occupational hazard factors, conduct health check-ups, and maintain protective facilities, ensuring effective operation of occupational health management. By the end of the Reporting Period, the Company and its subsidiaries, including Jereh Environmental Protection, Jereh Equipment, and 10 others, have all passed the ISO 45001:2018 Occupational Health and Safety Management System certification.



Organizational Structure of HSE Management in Jereh Group

Health and Safety Strategy

Risk Type	Risk Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact	Response Measures
Operating Risks	Occupational health or safety incidents may result in the temporary shutdown of affected production lines, work sites, or projects, directly interrupting normal operational processes.	Low	Short-term	Reduction in operating revenues: Work stoppages will directly cause production delays and order delivery delays, potentially triggering contract breach risks and current period revenue loss.	<ul style="list-style-type: none"> Implement HSE management, strengthen safety production training, develop emergency response plans, improve employees' emergency prevention capabilities, and prevent safety accidents
Occupational Safety and Health Risks	Adverse environmental conditions at project sites and limited emergency resources may lead to personnel casualties, team reduction, and decreased production efficiency, causing substantial damage to the Company's "safety first" reputation.	Low	Short-term	Increase in operating costs: In cases of occupational diseases, the Company must bear employee medical expenses, work injury compensation, and potential government fines; media coverage may increase operational costs.	<ul style="list-style-type: none"> Improve the occupational health and safety management system, clarifying responsibilities and obligations Strengthen employee safety training and education, raising employees' safety awareness Conduct regular safety inspections and hazard identification, promptly discovering and eliminating potential safety risks
HSE Compliance Risk	HSE regulations vary significantly across countries (e.g., stricter environmental and occupational health standards for oil and gas operations in Middle Eastern countries). Failure to comply with local requirements may trigger additional fines or project suspensions.	Low	Short-term	Increase in operating costs: Non-compliance with local HSE regulations may result in extra fines, schedule delay losses, restricted market access, and increased compliance adaptation costs for future business expansion.	<ul style="list-style-type: none"> Conduct preliminary research on local regulations and assign local compliance officers Develop compliance checklists by business unit and track training on new regulations Perform regular audits and establish HSE compliance early-warning plans

Opportunity Type	Description	Occurrence Readability	Impact Duration Reporting Period	Explanation of Financial Impact
Brand Development Opportunities	The Company may significantly enhance its public image and gain the trust and support of stakeholders and the market by establishing and improving the HSE management system and implementing occupational health and safety production management.	High	Long-term	Increase in operating incomes: A well-established occupational health management system, good employee rights protection, and employee welfare policies will attract high-level talent to join the Company, which is beneficial for improving the Company's market competitiveness in aspects such as innovation-driven, work efficiency, and investment attraction, thus expanding the Company's market share.

Risk and Opportunity Management

Jereh Group centers on building a systematic, standardized safety management system, fully covering risk forecasting, hazard mitigation, emergency response, incident handling, cultural development, and stakeholder collaboration, reinforcing the safety production defense line.

Safety Risk Control

Jereh Group steadily advances a standardized risk control system, routinely conducting systematic risk identification, comprehensively inspecting hazards in critical production operations such as large machinery tasks; implements dynamic risk monitoring and graded evaluation, including major safety risks like electric shock, mechanical injury, and fire/explosion in key control lists, identifying ten core risks and high-risk violations; warns all staff to strengthen risk anticipation and control awareness, building a proactive risk management defense.

The Company has established supervision and inspection mechanisms, conducting multiple rounds of special inspections at key units to achieve full coverage of self-inspection, mutual inspection, and supervisory checks; it continuously strengthens risk control execution to ensure graded control standards are effectively implemented. During the reporting period, all 11 subsidiaries established occupational health and safety risk management procedures.

Safety Hazard Assessment

Jereh Group has implemented the HIC information system and strictly follows the *HIC Management Regulations*. Routine inspections, surprise checks, and comprehensive patrols regularly monitor safety conditions, promptly identifying, preventing, and correcting unsafe factors and potential accident hazards, preventing production safety incidents. The Company also prepares a company-level typical hazard atlas and promotes workshop and team-level atlas preparation to achieve risk visualization.

During the reporting period, units submitted 95,625 HIC cases through the HIC system, achieving a 100% safety hazard rectification rate.

Safety Emergency Management

Jereh Group continuously improves optimizes the emergency response mechanism and improves emergency response mechanisms based on the *Measures for the Administration of Emergency Response Plan for Production Safety Accidents* and other requirements. The Company formulates emergency drill plans, organizes emergency accident rescue drills, strengthens employees' safety awareness, enhances their safety skills, and solidifies the Company's safety production defense line.

Key Performance

Emergency drills were conducted: **582** Emergency drills coverage: **13,182** person/times

Comprehensive Emergency Evacuation and Fire Drill at Jereh Equipment

In June 2025, Jereh Equipment conducted emergency evacuation and fire drills to test the rationality of emergency response procedures and measures, master essential emergency handling skills, and improve all employees' ability to respond to sudden incidents.



Comprehensive Emergency Evacuation and Fire Drill

Safety Production Special Emergency Drills in Subsidiaries



Pressure Vessel Accident Simulation Drill in Jereh Equipment

Case

Safety Production Special Emergency Drills in Subsidiaries



Vehicle Injury Accident Emergency Rescue Drill in Jereh Equipment



Fire Emergency Drill in Jason Energy

Safety Incident Management

Jereff Group has formulated the *HSE Incident Management Regulations*, complemented by digital tools to strengthen incident management. Through the HSE Incident Management System and standardized processes, precise control is maintained across all stages. For incidents that occur, the responsible unit must hold an incident investigation and analysis meeting, review the incident process, analyze causes, and develop targeted long-term preventive measures. During the Reporting Period, no work-related fatalities or major safety responsibility accidents occurred in the Company.

Key Performance

Safety production investment: RMB **38.2068** million

HSE 事故事件上报流程

申请人: [] 申请编号: []

申请部门: [] 申请时间: 2024-12-10 17:27

汇报人员: [] 流程管家: []

一、基本信息

汇报人: [] 工号: 19365

事故事件名称: [] 事故事件编号: []

事故事件发生日期及时间: [] 事故事件发生单位及部门: []

事故事件发生地点: [] 事故事件当事人: []

是否与外协/外部人员相关: 是 否 外协/外部人员姓名: []

事故事件性质: [] 事故事件类型: []

事故事件风险类别: [] 事故事件上报日期及时间: 2024-12-10 17:27

二、人员伤亡判断

HSE Incident Management System

Training and Culture Development

Jereff Group conducts themed activities such as "Safety Production Month" and "Occupational Health Awareness Week" to advance a safety culture. The Company establishes annual safety training plans, guiding units to build training systems adapted to business characteristics and operational environment differences. In addition, through classroom teaching, seminars, competitions, and on-site exercises, it integrates laws and regulations to improve training effectiveness.

Key Performance

Safety education investment: RMB **2.7064** million Safety education training sessions: **872**

Safety training hours: **872** Safety training coverage rate: **100%**

<p>人人讲安全</p> <ol style="list-style-type: none"> 1. 外部专家讲安全 2. 集团层面讲安全 3. 一线员工讲安全 4. 安全团队讲安全 	<p>人人会应急</p> <ol style="list-style-type: none"> 1. 创伤急救培训 2. 各类应急演练 3. 应急技能比武 4. 厚仁基地参观学习 	<p>时时查隐患</p> <ol style="list-style-type: none"> 1. 外部专家精准诊断 2. 内部交叉帮扶诊断 3. HIC提报 4. 典型隐患图册 	<p>层层筑防线</p> <ol style="list-style-type: none"> 1. 一把手在行动 2. 中层履职评估 3. 兼职安全团队评估 4. 一线员工应知应会
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Safety Production Month Diverse Activities



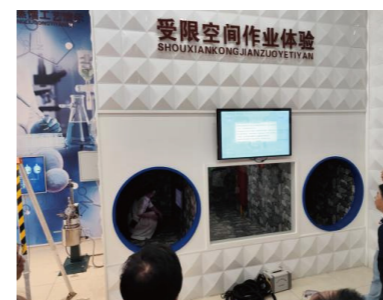
Safety Training Lectures



Trauma First Aid Training



Emergency Skills Competition



Visits to External Warning Education Bases



Internal Cross-Unit Support Diagnostics



Hazard Atlas Preparation

Safety Management for Related Parties

Jereff Group attaches great importance to stakeholder safety management, issuing the *HSE Guidelines for Contractor Selection*, clarifying contractor entry standards, establishing a qualified contractor directory and a blacklisted contractor list to provide rigid compliance criteria.

Throughout collaboration, the Company signs HSE agreements with contractors, strictly conducts pre-entry HSE briefings, clarifies project nature, regulations, rewards/penalties, and environmental safety requirements; implements contractor HSE commitment and special penalty management rules; through strict training, process supervision, and periodic assessment, the Company fully regulates stakeholder operational behavior and ensures safety throughout collaboration.

Setting Indicator Targets

Jereh Group builds a clear responsibility and strict accountability safety culture, anchored to the HSE core objectives of "zero injuries, zero incidents, zero pollution", fully protecting the health and safety rights of employees, contractors, customers, and operational sites.

During the reporting period, the Company successfully achieved annual occupational health and safety targets; in 2026, it will continue benchmarking HSE management system standards, steadily advancing and implementing all safety strategic tasks.



Jereh Group HSE Strategic Goals

Occupational Health Protection

Jereh Group establishes a sound occupational health protection mechanism, standardizes health management processes, strengthens operational protection and health monitoring, and enforces health and safety responsibilities, fully safeguarding employee occupational health rights.

Key Performance

- Recordable incident rate of personal injury: **0.13** times per **200,000** working hours
- Lost workdays due to work injuries: **748** days
- The work injury insurance investment was RMB **4.184** million
- Coverage rate of work-related injury insurance for employees: **100%**
- The safety production liability insurance investment totaled RMB **108,600**
- Work safety liability insurance coverage rate: **100%**

Hazardous Factor Detection

Jereh Group has developed policies for identifying occupational disease hazards, strictly enforcing identification and regular monitoring systems, ensuring workplace hazard factors comply with national occupational health standards, and controlling occupational health risks at the source to protect employees' health. In addition, the Company has built an occupational disease hazard project reporting system to support orderly occupational health monitoring projects, achieving a data-driven management and continuous monitoring closed loop.

Key Performance

- Detection Rate of Occupational Disease Hazards: **100%**
- Pass Rate of Occupational Disease Hazard Detection: **100%**

Case

Subsidiaries of Jereh Group Conducted Occupational Disease Hazard Factor Detection

In 2025, Jereh Group and its subsidiaries collaborated with third-party institutions to conduct occupational hazard factor testing. Based on test results, the Company prioritizes protective equipment and material management for special positions exposed to dust, noise, toxic and hazardous substances, building a full-chain occupational health protection mechanism to effectively prevent occupational disease risks.



Occupational Hazard Factor Testing Report Disclosure at Jereh Machinery

Case

Posting Occupational Hazard Warning Cards and Operational Area Warning Signs



Provision of Labor Protection Equipment

Jereh Group committed to employee health, has established systems such as the *Labor Protection Equipment Management System*, providing standard protective equipment including helmets, safety goggles, and earmuffs for all positions, and placing safety warning signs in work areas, ensuring dual protection of work environment and personal safety, creating a safe, healthy, and compliant operational atmosphere.



Safety Helmets for Production Process



Requirements for Wearing Personal Protective Equipment at Production Workshop

Occupational health checkups

Jereh Group prioritizes occupational health monitoring, regularly organizing comprehensive employee health check-ups, and dynamically monitoring health status. Dedicated departments uniformly manage employee occupational health records, ensuring timely identification and prevention of potential health risks, providing precise health interventions and comprehensive health protection. During the reporting period, occupational health checkup coverage was 100%.

Key Performance

Number of participants: **2,995** The occupational health checkup coverage rate is **100%**

Case

Subsidiaries of Jereh Group Conducted Employee Occupational Health Checkups

In 2025, Jereh Group and its subsidiaries conducted annual occupational health checkups, ensuring all special-position employees received necessary checks, dynamically improving occupational health records, accurately recording checkup data and health status, and effectively safeguarding employee health and legal rights.



Occupational Health Monitoring Records



Responsibility and Benevolence Cultivating Public Welfare

Jereh Group upholds a "people-oriented" philosophy, continuously improving employee rights protection, focusing on physical and mental health, enriching welfare policies, and taking multiple measures to enhance employee happiness and sense of belonging, achieving mutual growth of the Company and employees.

Responded UN Sustainable Development Goals (SDGs):

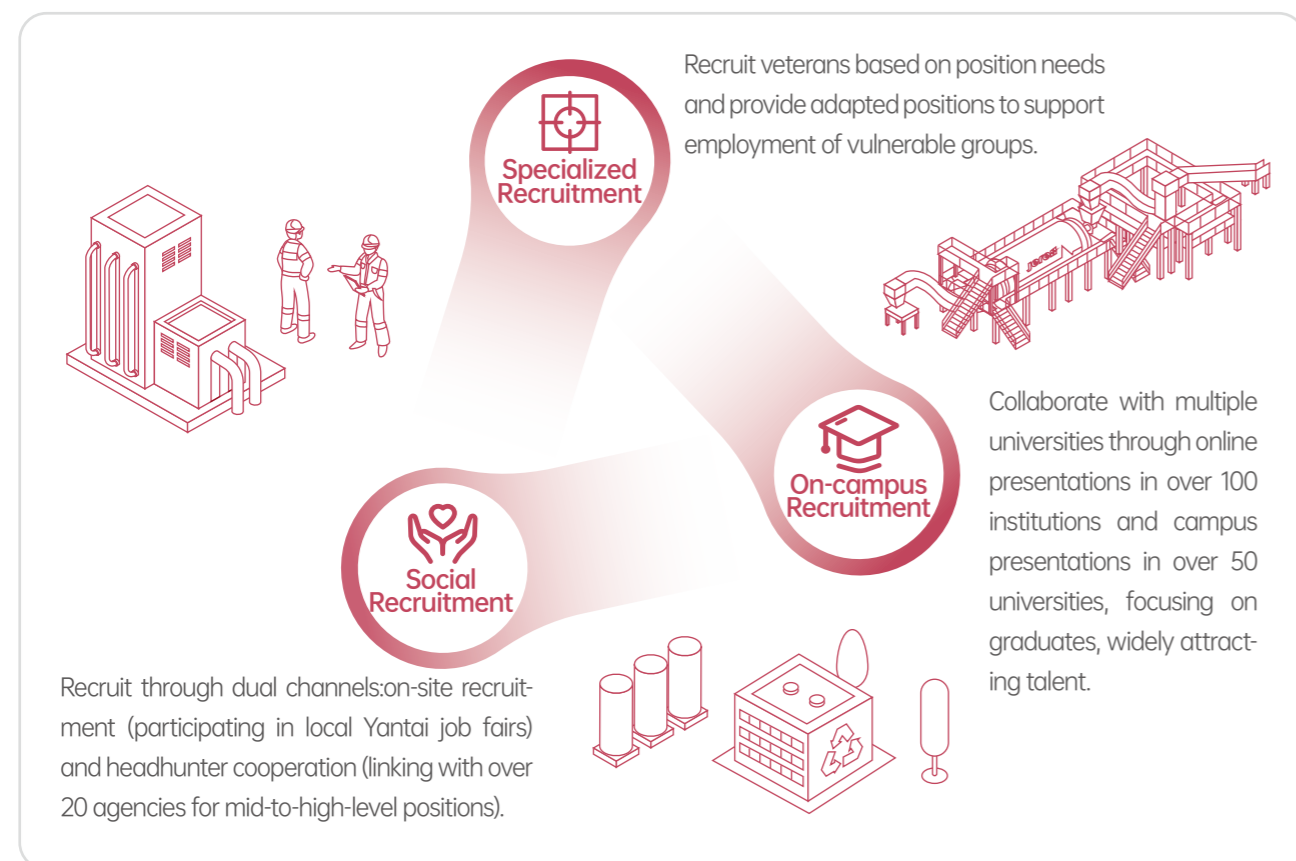


Protection of Employees' Rights and Interests

Talent Acquisition and Retention

Diverse Recruitment

Jereh Group follows an open recruitment strategy, leveraging campus recruitment, social recruitment, and veteran-specific recruitment to continuously expand employment and create more jobs for society. To ensure recruitment compliance, fairness, and transparency, the Company has established the *Recruitment and Employment Management System* to standardize procedures and create a fair and equitable employment environment.



Key Performance

New hires: **1,883** Including: On-campus recruitment: **126** Social recruitment: **1,757**

Case

21-Day Onboarding Program for Graduates

In July 2025, Jereh Group held the "21-Day Innovation Camp", empowering new professionals with the enterprise spirit. By sharing the Company's development journey and core culture, the program provided a collaborative and growth-oriented platform, directly addressing the needs of new graduates for onboarding and adaptation, helping them quickly integrate into the organizational environment and smoothly embark on their career journey.



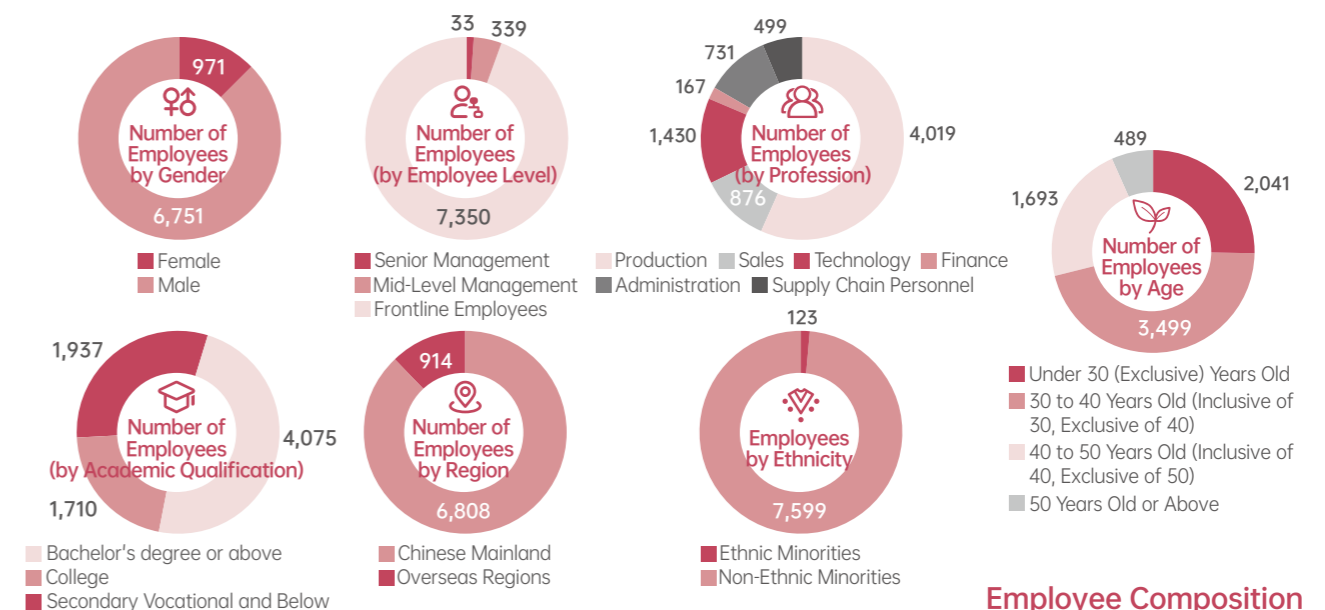
Activity Photo

Employee Structure and Stability

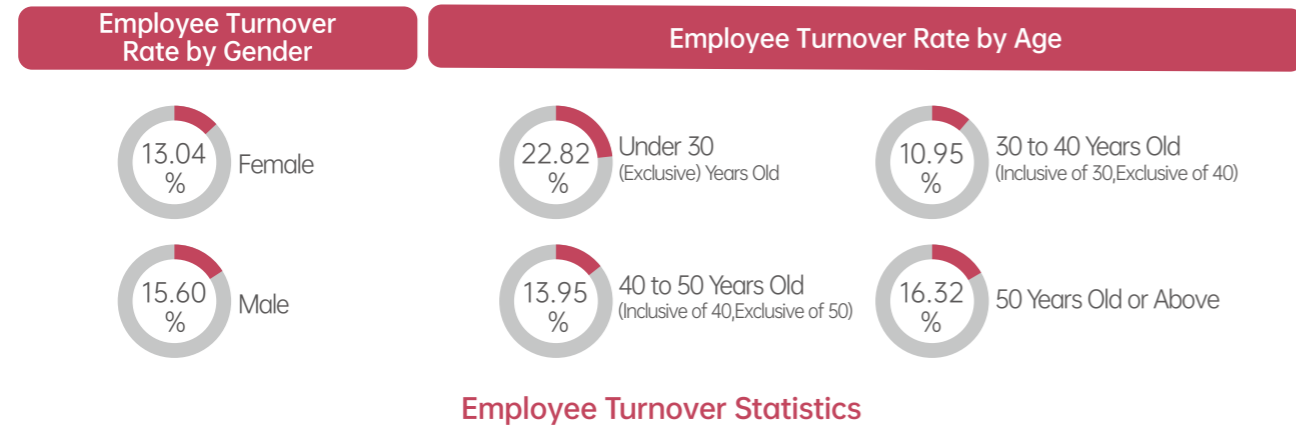
Jereh Group upholds the core principle of "stabilizing the team and retaining talents", emphasizing the construction of a stable workforce and actively implementing talent retention measures. The Company consistently monitors employees' career development and personal challenges, proactively addressing their reasonable demands regarding professional growth, incentives, and communication. Over the past three years, no major layoffs have occurred, and team stability has been continuously reinforced.

Key Performance

Total employees: **7,722** Number of employees with disabilities: **97** Employees of ethnic minorities: **123**
Employee turnover rate: **18.83%**



Employee Composition



Employee Turnover Statistics

Diverse Rights Protection

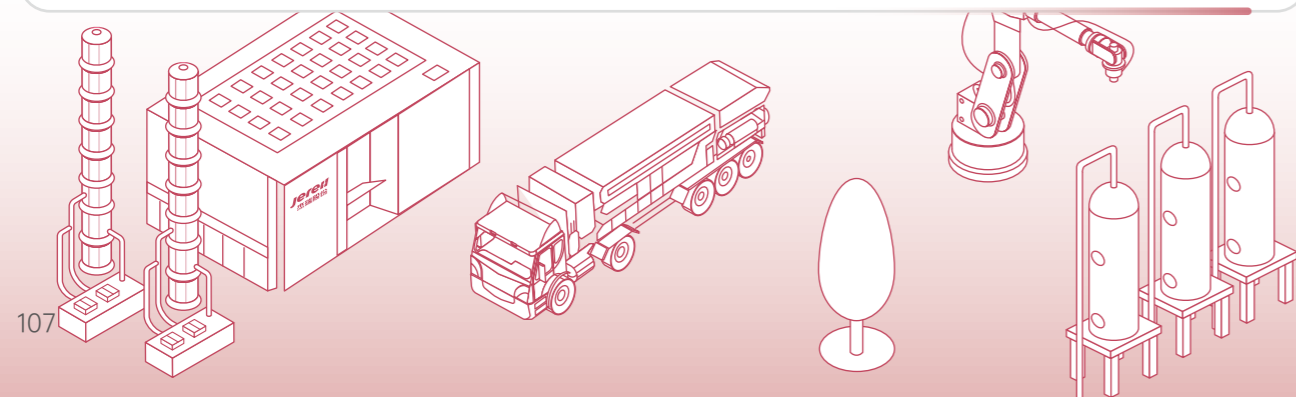
Labor Rights Management

Jereh Group strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other national labor laws and regulations. The Company also commits to upholding the *Universal Declaration of Human Rights* and the core labor standards of the International Labor Organization (ILO), integrating human rights principles comprehensively into its global human resource management system, covering all domestic and overseas employees. The Company implements an open and transparent recruitment process, prohibits all forms of discrimination, strictly forbids child labor, and rejects modern slavery or forced labor practices. During the reporting period, no major labor disputes or violations of employment regulations occurred, and the overall employment environment remained compliant and harmonious.

In overseas operations, the Company prioritizes compliance and cultural respect, establishing localized human resource management systems to ensure that overseas employees enjoy the same rights and protections as local employees. Through regular compliance reviews and training, the Company ensures that all overseas branches fully comply with local laws and international human rights standards regarding employment, compensation, working hours, and benefits.

Key Performance

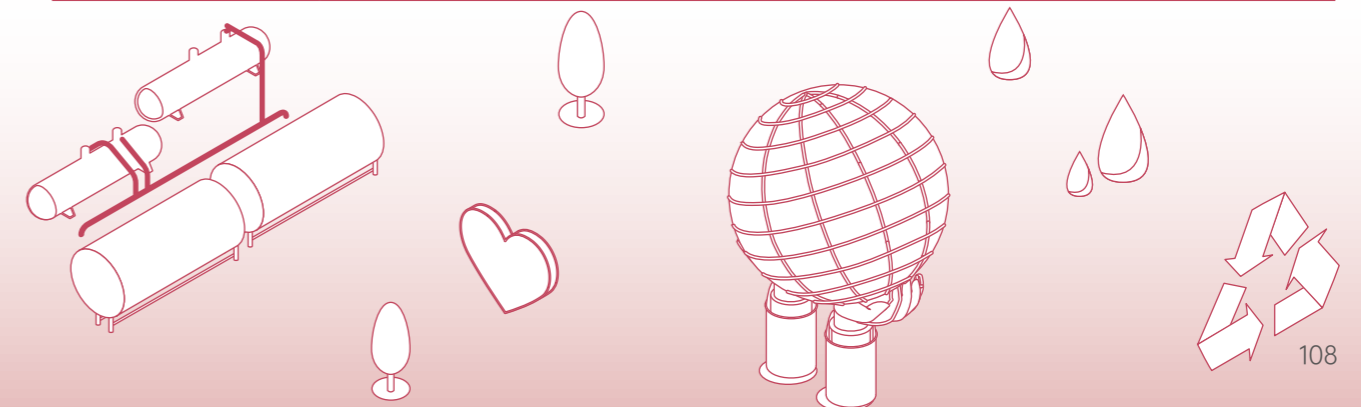
Percentage of Contract Workers: **100%** Child labor and forced labor incidents: **0**
 Workplace discrimination, bullying, and harassment incidents: **0**



Upholding Labor and Human Rights Commitments

The Company is committed to implementing human rights commitments across all operations, integrating responsible human rights management into corporate governance and daily operations, and continuously identifying, preventing, and addressing potential human rights impacts throughout its operations and value chain.

Key Areas	Specific Practices
Prohibition of Child Labor and Forced Labor	Strictly enforce the <i>Code of Business Conduct and Recruitment and Employment Management System</i> , using information verification and identity authentication to prevent child labor and forced labor; in overseas operations and supply chain management, strictly comply with local labor laws and regulations protecting minors.
Prohibition of Workplace Discrimination, Bullying, and Harassment	Eliminate all forms of discrimination and harassment, ensuring employees are not treated unfairly based on race, gender, age, religion, cultural background, or physical condition; actively provide employment opportunities for vulnerable groups; establish reporting and investigation mechanisms to ensure complaints are handled promptly and fairly.
Freedom of Association and Collective Bargaining	Respect employees' freedom of association and collective bargaining rights, Support employees in forming or joining legitimate organizations in accordance with the law. Domestically, the Company maintains regular communication with employee representatives; in overseas operations, it strictly complies with local collective bargaining laws and engages in constructive dialogue with lawful unions or employee representatives regarding labor conditions and remuneration.
Employee Compensation and Rest	Comply with local labor regulations, implement a fair compensation and benefits system, ensure equal pay for equal work, regulate working hours and overtime, and guarantee statutory rest and leave rights. Overseas projects implement rest and leave arrangements according to local laws, while paying attention to employees' physical and mental health and work-life balance.
Fair Development	Establish transparent and fair performance management and promotion mechanisms, providing equal career development and training opportunities; support employee growth and career advancement in global operations through cross-cultural leadership, localized training, and international position exchanges.
Protection of Female Employees	For pregnant, maternity, and breastfeeding employees, provide protection and convenience in accordance with laws, such as job adjustments and lactation facilities; for overseas operations, implement female protection measures in accordance with local culture.
Human Rights Grievance Procedures	Establish multiple confidential grievance channels to ensure employees can raise human rights concerns; all grievances are recorded, investigated, and responded to in accordance with procedures, with any form of retaliation strictly prohibited.



Local Employee Rights Protection

The Company attaches great importance to protecting local employees' rights, systematically covering local hires, Chinese expatriates, and overseas cross-border employees. For local employees, in addition to standard benefits such as holiday allowances and shuttle meals, the Company promotes cross-cultural understanding, workplace inclusion, and applies equality principles in compensation, benefits, and career development, ensuring all lawful rights are protected. For expatriates, the Company provides comprehensive support including cross-border compensation and benefits, medical care, safety and emergency support, and family care, ensuring safe and stable overseas work and life. For overseas-hired employees, the Company establishes localized career development channels, fair promotion mechanisms, and cross-cultural integration programs, safeguarding long-term development rights and professional dignity. By continuously optimizing human resource management and site operations, the Company creates a compliant, respectful, and inclusive environment for all on-site employees, achieving mutual growth for individuals and the Company.

special interests of female employees. For pregnant, maternity, and breastfeeding employees, the Company guarantees rest and leave rights, provides personalized services and facilities such as nutritional porridge for expectant mothers, standardized lactation rooms, and "baby care room", while benchmarking international practices to foster a fair and inclusive workplace.

The Company regularly organizes female-specific activities, including hiking, flower arranging, health lectures, beauty classes, and International Women's Day events. Adhering to diversity, equality, respect, and inclusion, the Company strictly prohibits workplace gender discrimination, provides equal career development opportunities for women, and fully supports female employees in achieving self-value and professional growth.

Key Performance

Female employee ratio: **12.57%** Female employee ratio in the Board: **33.33%**
 Number of employees who took maternity leave: **43**
 Return rate of employees who took maternity leave: **100%**

Localization of Human Resource System in the Middle East

To protect overseas employee rights, Jerem Middle East Center promotes local HR system localization, aligning with local regulations. The team focuses on optimizing recruitment, visa, and employee relations processes, ensuring compliant operations and enhancing management transparency. By actively recruiting local talent and liaising with agencies, the Company strengthens the management foundation while providing a stable, respected, and culturally appropriate work environment.



Middle East Human Resource Management

Case

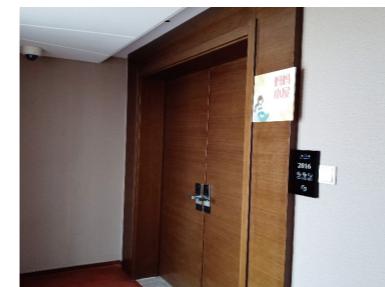
Extending Partner Rights

The Company actively explores extending labor rights protection to domestic and overseas supply chain partners, steadily advancing responsible value chain management, and clarifying standards for labor rights management for suppliers at all levels. The Company emphasizes core compliance standards such as anti-discrimination and anti-forced labor, gradually integrating them into supplier admission and ongoing evaluation frameworks while considering local policy requirements and practical differences.

The Company adheres to a pragmatic approach, advancing labor rights protection in domestic and overseas value chains steadily and gradually, practicing shared responsibility, and working with global supply chain partners for compliant development and mutually beneficial cooperation.

Safeguarding Female Employees' Rights

The Company strictly implements the *Law on the Protection of Women's Rights and Interests*, *Special Provisions on Labor Protection of Female Employees*, and local overseas female labor protection regulations, ensuring the legal rights and



Standardized Lactation Room



Baby Care Room at Jerem



International Women's Day activities

Valuing Cultural Diversity

Jerem Group regards cultural diversity as an important component of global competitiveness, promoting cross-cultural management systems and fostering equal dialogue and efficient collaboration among employees of different nationalities and cultural backgrounds.

Cultural Differences Survey

The Company conducts site visits and surveys to collect challenges, needs, and suggestions in cross-border business and cross-cultural management, optimizing cross-cultural team management.

Case

Cross-Cultural Team Management and Cultural Difference Survey in the Middle East

During the reporting period, the Company visited teams in the UAE, Kuwait, Iraq, Bahrain, and Saudi Arabia, using interviews, discussions, questionnaires, and observations to survey business operations, cultural integration, and daily management, collecting frontline information, challenges, and suggestions to inform HR policy improvement and team management optimization.



Bahrain Project Site Visit



Bahrain Project Cross-Cultural Management Exchange



Kuwait JPF5 Project Cultural Differences Questionnaire Survey

Corporate Culture Perception

The Company conducts overseas cultural training to deepen employees' understanding of corporate culture, helping overseas teams form exclusive values and reinforcing cultural implementation and employee recognition.

Case

Overseas Team Cultural Co-Creation

During the reporting period, the Human Culture and Leadership Center organized overseas cultural training, co-creation sessions, and leadership empowerment programs, enhancing employee perception of corporate culture, co-creating team values, and improving managers' cross-cultural management capabilities.



Corporate Culture Training and Co-Creation for the Abu Dhabi Digital Project



Management Awareness Training for the Iraq Mansuriya Project

Cultural Inclusion and Co-Building

The Company actively promotes multicultural integration overseas through employee birthday parties, project team-building activities, and establishing prayer rooms to respect cultural differences. Additionally, using traditional Chinese tea culture as a medium, along with customs sharing and communal meals, the Company fosters mutual understanding in a relaxed atmosphere, gradually building a trusting and inclusive corporate environment.

Case

Expatriate Employee Birthday Celebration in Abu Dhabi

During the reporting period, the Company actively promoted localized management and cultural integration of overseas teams, organizing culturally relevant birthday celebrations to strengthen team cohesion and cross-cultural adaptability, demonstrating internationalized employee care.



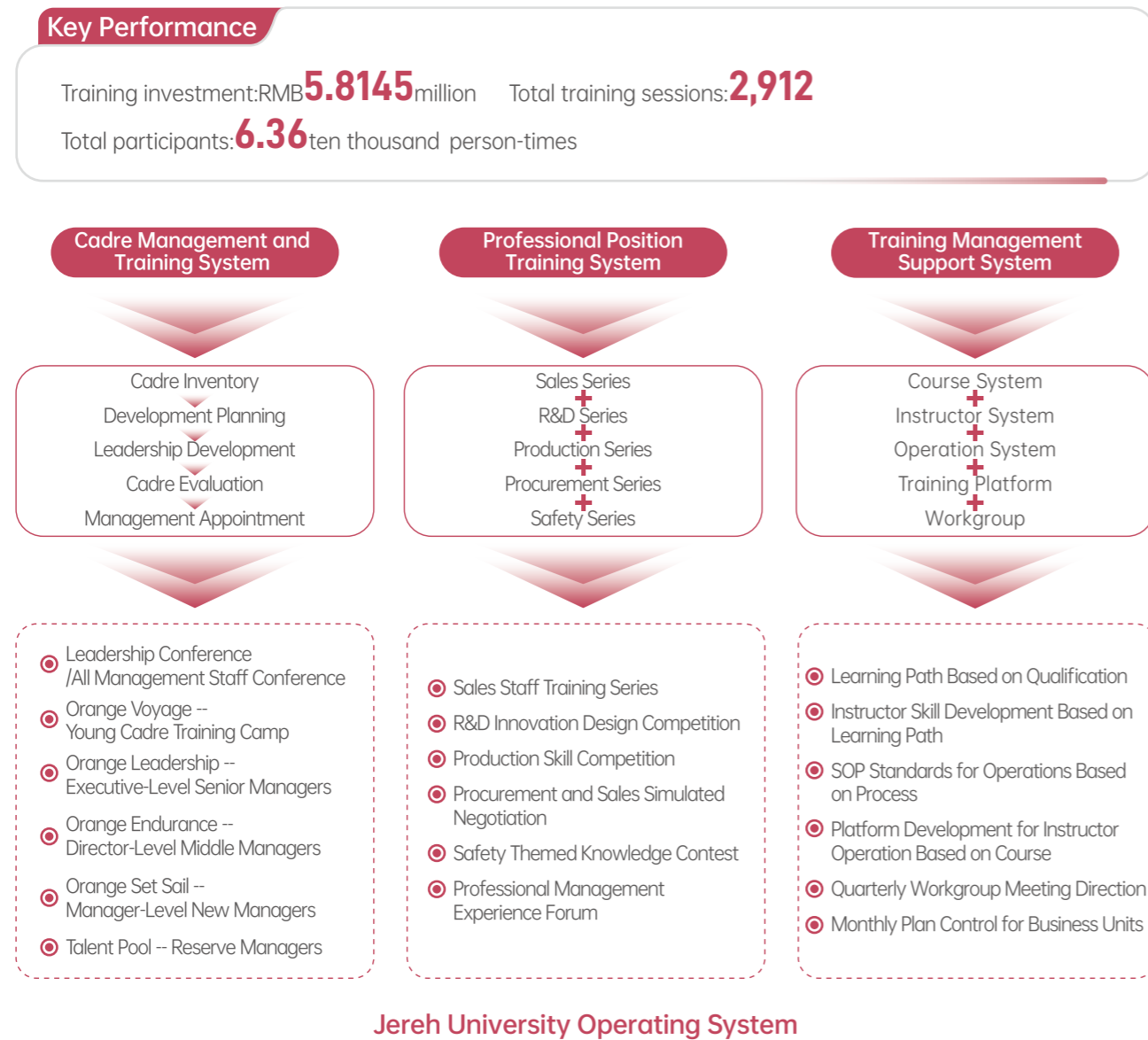
Birthday Celebration Scene

Talent Training and Development

Employee Training System

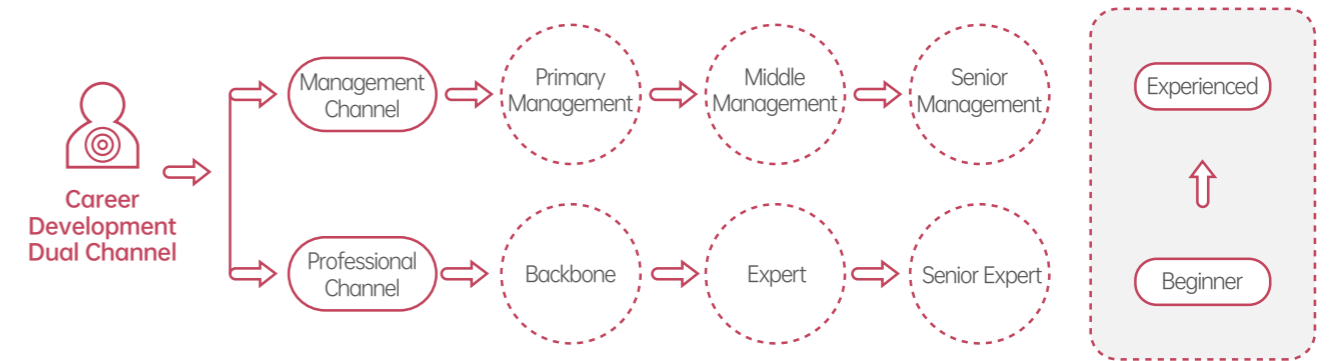
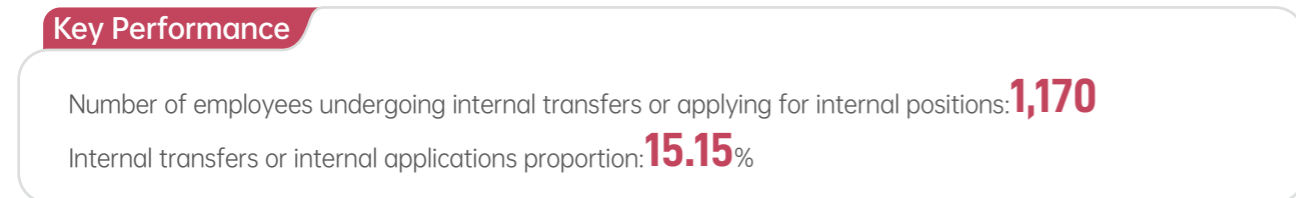
Jereh Group regards talent development as a core growth driver, building a systematic training system covering management, technical, and operational areas at all levels. Using Jereh University as the core platform, with the motto "Learning, Enjoying, and Sharing", the Company provides leadership development programs from junior to senior levels; through online learning, seminars, and offline training camps, it offers professional skills and general competency courses. The digital platform currently hosts over 5,000 courses, adding about 200 annually to continuously meet personalized learning needs.

The Company has established a *Training Management System* and an *Internal Lecturer Management System* to define training structures and responsibilities, ensuring efficient system implementation. Meanwhile, a professional internal instructor team is cultivated, continuously empowered through instructor boot camps; during the reporting period, 700 certified instructors were trained, becoming the core of knowledge retention and dissemination, fully supporting employee capability development.



Career Development Path

Jereh Group has established a systematic, standardized employee promotion system, implementing the *Measures for the Administration of Employee Qualification*, standardizing promotion processes, respecting employee development choices, and offering dual career paths in management or professional tracks, stimulating employee growth potential and achieving reasonable internal talent allocation.

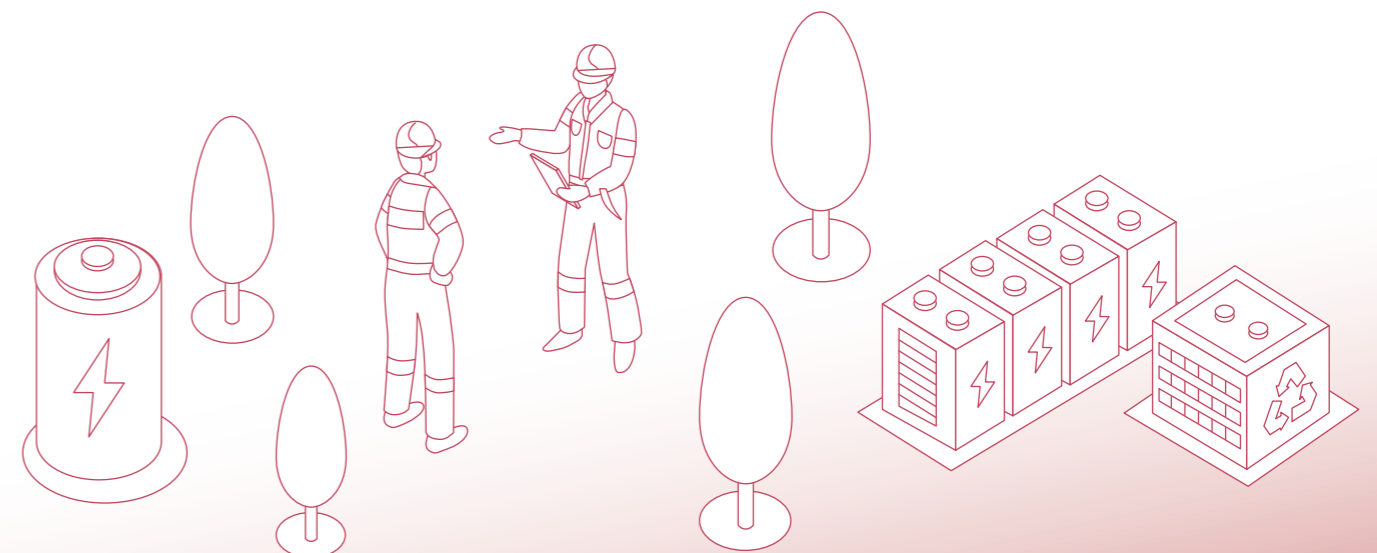


Employee Engagement and Management

Employee Compensation and Benefits

Jereh Group adheres to fairness and reasonableness, building a performance-oriented, focused, sustainable, and competitively fair compensation and benefits system, continuously improving the *Compensation Management System*, with salary structures consisting of fixed pay and annual bonuses. To establish long-term shared interests, the Company has launched the "Striver" and "Business Partner" equity plans, cumulatively granted to over 5,000 participants, including a special channel for new graduates, binding core talent and new employees to long-term incentives.

For benefits, statutory holidays are observed, full social insurance contributions ("five insurances and one housing fund") are paid, and supplemental commercial accident insurance is provided. For position difference, implement refined measures and strictly comply with national working hours and overtime pay regulations for base-level roles, while providing appropriate allowances and benefits for expatriates and employees in special positions. Additionally, interest-free home purchase loans are offered, enhancing employee sense of belonging and satisfaction, fully supporting career development and quality of life.





Statutory benefits	Social insurance and housing provident fund
Festive benefits	Benefits for Chinese New Year, Mid-Autumn Festival, Women's Day, home food welfare, birthday parties, etc.
Health Welfare	Accident insurance, annual health check-ups, occupational disease check-ups, etc.
Housing Welfare	Free accommodation for fresh graduates and interns
Bus Meals	Free shuttle bus; free meals at work, including breakfast, lunch, dinner, late-night snacks, and night meals
Maternity Welfare	Parental gifts for female employees giving birth or for the spouses of male employees giving birth
Other Welfare	Irregular gifts and commemorative welfare

Key Performance

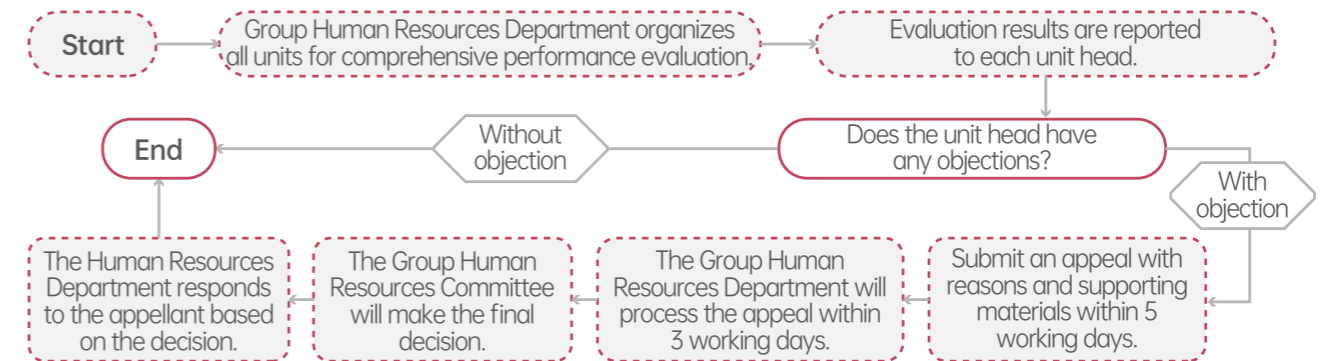
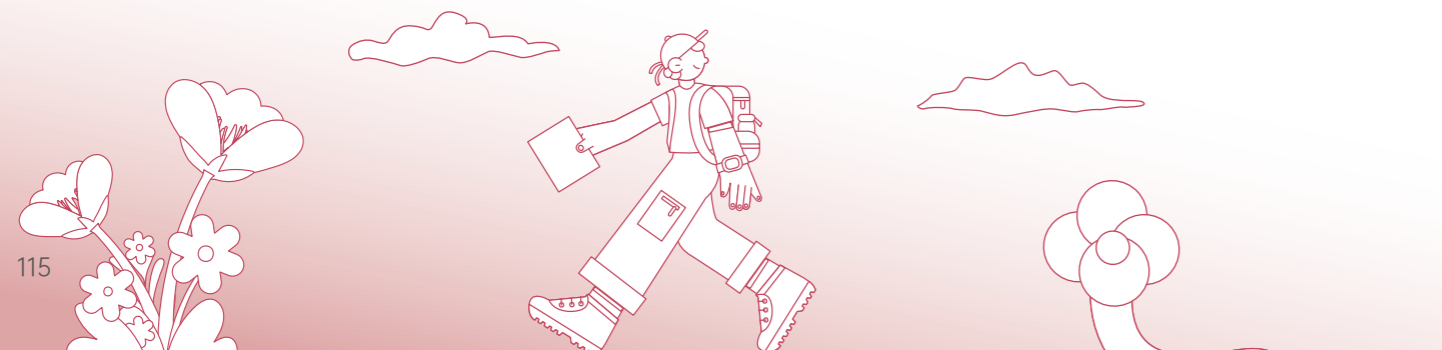
Social insurance coverage: **100%** Per capita paid annual vacation days: **4.2** days

Performance Appraisal and Feedback

Jereh Group positions performance management as a core support for strategic implementation, organizational vitality, and employee rights protection. Based on the *Performance Management System*, the Company has established a closed-loop management system driven by strategy and performance outcomes. The system follows principles of strategic relevance, transparency, fairness, and developmental alignment, combining quantitative and qualitative assessment methods to deeply link individual performance with organizational performance, promoting joint growth of the Company and employees.

To ensure transparency and fairness in performance management, the Company has built multi-dimensional, routine performance communication channels, including performance discussions, quarterly reviews, and annual presentations, allowing employees to clearly understand goal progress, assessment criteria, and areas for improvement. At the same time, a standardized performance feedback and appeal mechanism has been established, clarifying the appeal process, handling points, and timeframes to protect employees' rights to information and appeal.

The Company has innovatively launched the "Spot Jereh's Problems" initiative, encouraging employees to actively propose improvements across operational processes, aiming to strengthen organizational self-renewal capabilities, cultivate a culture of sincere trust, and provide mutual empowerment for organizational evolution and employee value realization.



Performance Result Feedback and Appeal Process

Employee Care and Communication

Labor Relations

Jereh Group attaches great importance to labor relations, establishing a labor dispute mediation committee in accordance with the law, and strictly following democratic procedures. For key decisions involving employee rewards and penalties, the Company fully consults employee representatives to ensure fairness and impartiality in both process and outcome. To continuously improve employment compliance, the Company regularly organizes labor law training for human resource personnel, supplemented by daily guidance, comprehensively strengthening managers' legal awareness and dispute prevention and handling capabilities.

In the employee offboarding process, the Company strictly implements the *Employee Departure Management System*. The Company arranges interviews for each departing employee to understand their reasons for leaving, listen to their opinions and suggestions, and provide necessary support to safeguard their legal rights, ensuring that employees are treated properly and respectfully during departure. Feedback collected is systematically consolidated and shared with relevant departments, forming a closed loop for management improvement and continuously optimizing human resource systems and employee relations.

Democratic Governance

Jereh Group has built a comprehensive democratic communication mechanism, disseminating rights-related information via internal publications, office platforms, and bulletin boards; leveraging the "Youth Lakeside" forum and "Spot Problems" activities to create suggestion platforms and smooth upward feedback channels. Employee satisfaction surveys are conducted as needed across the Company, providing a basis for optimizing management and care initiatives, fully strengthening the foundation of employee rights protection and democratic management.

Employee activities

Jereh Group focuses on employee care, enhancing well-being, and constructing a comprehensive employee support system. The Company continuously improves employees' work-life experience and supports personal growth and mental-physical balance by creating diverse physical activity spaces and organizing various cultural and sports activities.

Case

Construction of "Employees' Home"

The Company values work-life balance, and invests resources to develop a physical "Employees' Home", a multifunctional space integrating an exhibition hall, employee library, and stress-relief room; based on the plant layout, employee cafeterias and gyms are also provided to offer convenient and comfortable spaces for relaxation and social interaction.



Employee Activity Spaces

Case

Focusing on Mental Health

The Company emphasizes employee mental health, forming a dedicated care team to provide systematic psychological support, conduct mental health lectures, and offer professional assessments, providing precise assistance to employees in need. Additionally, the Company has established the "Sunflower Psychological Care Station" and stress-relief spaces, creating a multi-dimensional mental health protection system.



Psychological Care Station and Stress-Relief Spaces

Case

Hosting the 26th Employee Sports Games

In October 2025, the Company held the 26th Employee Sports Games, featuring 30 competitive events that attracted over a thousand employees, combining competition and collaboration, energy and laughter, with frequent victories reported. The activities not only release work vitality but also enhance team cohesion, showcasing the hardworking and enterprising spirit of Jereh employees.



Corporate Responsibility Communication

Jereh Group always upholds "To be a responsible individual" as its corporate guidance, deeply integrating civic, corporate, team, and family responsibilities into its development fabric, and actively practicing social responsibility with a philanthropic spirit.

The Company engages in charitable initiatives through platforms such as the "Jereh Charity Fund for Helping the Needy", "Boji Relief Fund", and "Jereh Pandemic Relief Fund", continuously carrying out disaster relief, education support, disability aid, poverty alleviation, and rural revitalization programs. Since April 2013, the Company has launched the "Find Those in Need Around Me" charity activity, engaging all employees to promote Jereh's disaster relief philosophy, expanding assistance reach and intensity to support individuals and families in need.

Alongside corporate initiatives, the founding team personally participates in charitable activities to practice disaster relief and assistance. In 2025, the Company's Chief Founder and Chairman of Jereh United Group, Sun Weijie, together with founders Wang Kunxiao and Liu Zhenfeng, jointly contributed RMB 5 million to establish the "Sun Weijie Public Welfare Foundation", creating a broader and more responsive charitable network.

Since 2010, the Company and the founding team have cumulatively donated nearly RMB 40 million, supported close to 500 disadvantaged families, and implemented over 400 charitable projects, earning multiple honors including the China Charity Outstanding Contribution Award, the Red Cross Humanitarian Medal, the Dedication Medal, Yantai Charity List "Most Caring Enterprise", Yantai City Outstanding Charitable Organization, Outstanding Charitable Organization in Yantai, and other notable awards.

Looking ahead, Jereh Group will continue collaborating with government and social organizations to steadily advance projects such as the "Hope Project", gathering warmth and contributing to a harmonious and beautiful society.

Key Performance

Number of assisted employees and community members: approximately **200** person/times
Charitable donations: over RMB **7.80** million (including support for employees in need)

Establishment of the "Sun Weijie Public Welfare Foundation" to demonstrate corporate responsibility

In June 2025, the Company held the signing and awarding ceremony for the "Sun Weijie Public Welfare Foundation" at its headquarters. The fund, jointly contributed by founders including Sun Weijie with RMB 5 million, focuses on supporting disadvantaged groups and educational charity initiatives. In the future, the fund will work in coordination with the Company's existing "Jereh Charity Fund for Helping the Needy" to create a broader and faster-responding charitable platform, delivering corporate care and improving the lives of those in need.



Signing and Awarding Ceremony for "Sun Weijie Public Welfare Foundation"

Charity Donation to Tibetan Girls, Protecting Health through Medical Support

In September 2025, Jereh Group, through the "Jereh Charity Fund for Helping the Needy" and in partnership with the Yantai Charity Federation, donated RMB 30,000 to Awang Zhuoma, a disabled Tibetan girl traveling over 4,000 km to Yantai for leg correction surgery, specifically covering post-insurance surgery costs. This action demonstrates targeted medical charity support, promptly addressing the urgent needs of assisted families, and symbolically linking charitable efforts between Shandong and Tibet.



Donation by Jereh Group Board Representatives

Targeted Donation to the "Hope Project", Empowering Youth through Education

In November 2025, the Company participated in the "Warm Support, Build Dreams" youth growth care event and "Hope Project" scholarship distribution in Yantai, donating RMB 213,000 to support youth development and education, practically helping young people realize their dreams.



Group Photo of the Care Activity

Community Development Empowerment

Jereh Group integrates community development into corporate sustainable development practices, simultaneously supporting education resources and cultural-sports activities to improve local livelihoods and talent growth, actively fulfilling local corporate responsibilities and striving to build a mutually thriving community ecosystem.

Education Support – Air Conditioner Donation to Improve Learning Environment

To continuously improve local primary and secondary school conditions, in September 2025, Chairman Sun Weijie donated 793 air conditioners to 24 schools in Laishan District via the "Sun Weijie Public Welfare Foundation", specifically for student classrooms and dormitories, with a total value of approximately RMB 2.7397 million, creating a more comfortable learning and living environment, reflecting the Company's attention to foundational education and supporting regional educational development.



Air Conditioner Donation

Talent Development – Community Sports Events to Inspire Vitality

Case

In 2025, the Company continued sponsoring and naming the Laishan District "Jereit Cup" Basketball League ("Lai BA" for short). As an important part of the Yantai City Basketball League (YBA) system, the event attracted 21 teams and nearly 300 players, hosting 84 official games. Through this sports event, the Company enriches community cultural and sports life, provides a community interaction platform, fosters a positive environment for talent growth, and supports a vibrant and inclusive community ecosystem.



"Lai BA" Tournament

Overseas Public Welfare and Business Development

Jereit Group deeply integrates into the "Belt and Road Initiative", actively practicing the principle of "consultation, co-construction, and shared benefits", and continuously deepening business exchanges and project cooperation with partner countries. By promoting the implementation of its leading products and services in markets along the Belt and Road, the Company steadily expands overseas operations, aiming to build a long-term mutually beneficial global partnership network. At the same time, through localized operations and corporate social responsibility practices, the Company contributes to sustainable development and economic cooperation in regions along the Belt and Road.

Jereit Signs Cooperation Agreement with ADNOC Drilling

Case

In November 2025, the Company reached a milestone cooperation agreement with ADNOC Drilling in Abu Dhabi. The collaboration will focus on localized manufacturing of high-end energy equipment, technology coordination, and global market expansion. This cooperation marks a key advancement in the Company's strategic layout in the Middle East and significantly enhances both parties' competitiveness in the global oil and gas equipment sector.



Sign cooperation agreements

Deep Engagement in Mansuriya Gas Field Project, Supporting the Belt and Road with Technology and Responsibility

Case

In 2025, while advancing the Mansuriya Gas Field project, the Company continued to deepen local social responsibility practices, visiting surrounding villages with local partners during Ramadan in March and providing targeted donations to Al-Farah Model Orphan School in Mansuriya in December to support its daily operations and education continuity, ensuring orphan students' learning and development, effectively fulfilling the Company's overseas community commitments.



Visiting Surrounding Villages



Supporting Orphan School

Afterword to the Report

Key Performance Form

Corporate Governance--Governance Dimension				
Indicator Name	Unit	2023	2024	2025
Number of General Meeting of Shareholders Convened	Times	4	4	3
Number of Proposals Reviewed at Shareholders' Meetings	Item	18	30	30
Number of Meetings of Board of Directors Held	Times	11	9	11
Proposals Reviewed and Approved at Board of Directors	Times	60	49	85
Total Number of Meetings of Strategy Committee under the Board of Directors	Times	1	1	1
Total Number of Meetings of Compensation and Appraisal Committee under the Board of Directors	Times	2	1	1
Total Number of Meetings of Audit Committee under the Board of Directors	Times	6	6	7
Total Number of Meetings of Nomination Committee under the Board of Directors	Times	0	0	2

Information Disclosure--Governance Dimension				
Indicator Name	Unit	2023	2024	2025
Number of Disclosure Announcements and Documents	Copy	183	163	196
Number of Periodic Reports and Summaries	Copy	7	7	6
Number of Interim Announcements and Documents	Copy	163	130	168
Number of Investor Relations Activity Record Forms	Copy	13	26	22

Investor Relations Management--Governance Dimension				
Indicator Name	Unit	2023	2024	2025
Number of Performance Briefings	Times	1	1	1
Number of on-site investor research visits received	Times	15	41	27
Replies to Investors' Inquires at irm.cninfo.com.cn	Piece	160	195	188
Reply Rate to Investors' Inquires at irm.cninfo.com.cn	%	100	100	100

Risk Control--Governance Dimension				
Indicator Name	Unit	2023	2024	2025
Number of Audit Training Sessions	Times	16	8	2
Duration of Audit Training	Hour	29	27.50	12

Risk Control--Governance Dimension				
Indicator Name	Unit	2023	2024	2025
Number of Participants in Audit Training	Person-time	64	35	4
Number of legal training sessions	Times	36	40	32
Duration of legal training	Hour	54	60	50
Number of Participants in Legal Training	Person	3,700	3,960	3,100
Number of Compliance Training Sessions	Times	120	136	218
Duration of Compliance Training	Hour	90	107	209
Number of Participants in Compliance Training	Person	3,489	3,560	6,379
Number of Participants in Training on Anti-Commercial Bribery and Anti-Corruption for the Management	Person-time	45	56	80
Duration of Training on Anti-Commercial Bribery and Anti-Corruption for the Management	Hour	3	3	2

Greenhouse Gas (GHG) Emissions--Environmental Dimension				
Indicator Name	Unit	2023	2024	2025
Direct GHG Emissions (Scope 1)	tCO ₂ e	24,157.30	25,141.82	35,283.83
Indirect GHG Emissions (Scope 2)	tCO ₂ e	15,750.16	20,086.87	17,787.13
Total GHG Emissions	tCO ₂ e	39,907.45	45,228.69	53,070.96
GHG Emission Intensity	tCO ₂ e/RMB 10,000 revenue	0.0287	0.0339	0.0327
GHG Emission Density	tCO ₂ e/Person	6.53	6.36	6.87

Environmental Indicators--Environmental Dimension				
Indicator Name	Unit	2023	2024	2025
Environmental Investment	RMB 10,000	1,480.99	1,396.49	1,514.05
Environmental Training	Times	64	17	80
Compliance Rate of Rectified Hidden Hazards	%	100	100	100

Pollutant Emissions--Environmental Dimension				
Indicator Name	Unit	2023	2024	2025
Waste Gas Emissions	Ton	2.41	8.43	8.61
Waste Gas Emission Intensity	Tons/RMB 10,000 revenue	0.0000176	0.0000063	0.0000053
Compliance Rate of Waste Gas Emissions	%	100	100	100
Wastewater Discharges	Ton	7,651,053.03	7,731,259.00	7,321,986.64
Wastewater Discharge Intensity	m ³ /day	20,975.89	21,170.43	20,060.24
Compliance Rate of Waste Water Discharge	%	100	100	100
Quantity of General Waste Generated	Ton	1,850.27	1,227.00	6,642.00

Pollutant Emissions--Environmental Dimension				
Indicator Name	Unit	2023	2024	2025
Quantity of Hazardous Waste Generated	Ton	61.86	375.24	447.36
Waste Disposal Compliance Rate	%	100	100	100

Energy and Water Resources--Environmental Dimension				
Indicator Name	Unit	2023	2024	2025
Total Energy Consumption	tce	14,927.89	16,351.39	20,921.07
Energy Consumption Intensity	tce/RMB 10,000	0.0107	0.0122	0.0129
Total Water Consumption	Ton	160,602.00	170,039.00	163,535.00
Water Consumption Intensity	Tons/RMB 10,000 revenue	0.1154	0.1273	0.1008

Usage of Packaging Materials--Environmental Dimension				
Indicator Name	Unit	2023	2024	2025
Total Quantity of Packaging Materials Used	Ton	768.60	911.38	512.05
Packaging Material Consumption Intensity	Tons/RMB 10,000 revenue	0.0005	0.0007	0.0003

R&D Innovation--Industry Value				
Indicator Name	Unit	2023	2024	2025
Investment in R&D	RMB 10,000	51,120.22	50,572.49	55,109.99
Number of R&D Personnel	Person	1,273	1,319	1,430
Percentage of R&D Personnel	%	20.84	18.54	18.52
Total Number of Patents Granted as of the End of the Reporting Period	Case	1,825	1,914	2,122
——Valid Authorized Invention Patents	Case	354	503	649
——Valid Authorized Utility Model Patents	Case	1,382	1,316	1,376
——Valid Authorized Design Patents	Case	89	95	97
Number of Valid Patents Per Million Yuan in Revenue	Case	0.1310	0.1433	0.1308
Total Software Copyrights as of the End of the Reporting Period	Case	156	159	170
Total Trademarks as of End of the Reporting Period	Case	250	275	379
Total Software Copyrights per Million Operating Revenue	Case	0.0110	0.0119	0.0105
Total Authorized Patents within the Year	Case	372	246	260
——Authorized Invention Patents	Case	169	150	149
——Authorized Utility Model Patents	Case	185	85	105
——Authorized Design Patents	Case	18	11	6
Total Patent Applications within the Year	Case	295	265	45

R&D Innovation--Industry Value				
Indicator Name	Unit	2023	2024	2025
—— Applied Invention Patents	Case	165	115	12
—— Applied Utility Model Patents	Case	119	129	33
—— Applied Design Patents	Case	11	21	0

Product Quality--Industry Value				
Indicator Name	Unit	2023	2024	2025
Product Percent of Pass	%	100	100	99.88
Number of Quality Training Sessions	Times	68	52	131
Quality Training Duration	Hour	2,806.00	2,010.30	4,710.00
Number of Participants in Quality Training	Person-time	2,423	1,410	5,858

Customer Service--Industry Value				
Indicator Name	Unit	2023	2024	2025
Customer Complaint Resolution Rate	%	100	100	100

Data and Information Security--Industry Value				
Indicator Name	Unit	2023	2024	2025
Number of Incidents of Information Security and Privacy Protection Violations	Times	0	0	0
Investment in Data Security	RMB 10,000	70	240	280
Training on Information Security	Times	12	14	20
Number of Information Security Training Participants	Person	Approximately 6,000	Approximately 7,000	Approximately 7,500
Coverage Rate of Information Security Training	%	100	100	100

Supply Chain Management--Industry Value				
Indicator Name	Unit	2023	2024	2025
Procurement Training Sessions	Times	3	5	4
Procurement Training Participants	Person	1,200	898	791

Employee Occupational Health and Safety--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Investment in work safety	RMB 10,000	1,915.70	1,864.80	3,820.68
Safety Education Investment	RMB 10,000	277.13	115.46	270.64

Employee Occupational Health and Safety--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Hours of Safety Training	Hour	/	/	872
Total Safety Education and Training Sessions	Times	869	802	872
Number of Emergency Drills	Times	323	439	582
Number of participants in emergency drills	Person-time	/	7,141	13,182
Safety Hazard Inspection and Rectification Rate	%	100	100	100
Number of Occupational Safety Accidents	Case	29	28	22
Total number of work-related injuries	Person	20	20	20
Workday Lost Due to Work Injuries	Day	954	1,031	748
Investment in Work-related Injury Insurance	RMB 10,000	323.09	334.40	418.40
Coverage Rate of Work-Related Injury Insurance for Employees	%	100	100	100
Safety Production Liability Insurance Investment	RMB 10,000	8.20	33.80	10.86
Coverage of Work Safety Liability Insurance	%	100	100	100
Incidence Rate of Occupational Diseases	%	0	0	0
Injury Rate per Million Hours Worked	%	0.88	/	0.59
Detection Rate of Occupational Disease Hazards	%	100	100	100
Pass Rate of Occupational Disease Hazard Detection	%	100	100	100
Occupational Health Checkup Participants	Person	2,531	2,000	2,995
Occupational Health Checkup Coverage Rate	%	100	100	100

Employment--Human Resources Dimension					
Indicator Name	Unit	2023	2024	2025	
Total Number of Employees	Person	6,109	7,116	7,722	
Number of Dispatched Workers	Person	95	157	130	
Number of Part-time Employees	Person	80	727	767	
Female Employee Ratio	%	13.37	12.38	12.57	
Percentage of Employees of Minority Nationalities	%	1.36	1.49	1.59	
Employee Numbers by Gender	Male Employees	Person	5,292	6,235	6,751
	Female Employees	Person	817	881	971
Employee Numbers by Job Level	Senior Management Personnel	Person	31	27	33
	Middle Management Personnel	Person	482	398	339
	Frontline Employees	Person	5,596	6,691	7,350
Number of Employees by Profession	Production	Person	2,948	3,690	4,019
	Sales	Person	708	834	876

Employment--Human Resources Dimension					
Indicator Name	Unit	2023	2024	2025	
Number of Employees by Profession	Technology	Person	1,273	1,319	1,430
	Finance	Person	155	176	167
	Administration	Person	585	628	731
	Supply Chain Personnel	Person	440	469	499
Number of Employees by Age	Under 30 (Exclusive) Years Old	Person	1,596	1,865	2,041
	30 to 40 Years Old (Inclusive of 30, Exclusive of 40)	Person	2,925	3,295	3,499
	40 to 50 Years Old (Inclusive of 40, Exclusive of 50)	Person	1,238	1,501	1,693
	50 Years Old or Above	Person	350	455	489
Number of Employees by Educational Background	Bachelor's degree or above	Person	2,913	3,380	4,075
	College	Person	1,381	1,634	1,710
Number of Employees by Region	Secondary Vocational and Below	Person	1,815	2,102	1,937
	Chinese Mainland	Person	5,396	6,261	6,808
Number of Employees by Ethnicity	Overseas and Hong Kong, Macau, and Taiwan Regions	Person	713	855	914
	Ethnic Minorities	Person	83	106	123
Number of Employees by Ethnicity	Non-Ethnic Minorities	Person	6,026	7,010	7,599

Employee Turnover--Human Resources Dimension					
Indicator Name	Unit	2023	2024	2025	
Number of Employees Departed	Person	1,265	1,493	1,397	
Employee Turnover Rate	%	12.80	13.35	18.83	
Employee Turnover Rate by Gender	Male Employees	%	12.80	13.68	15.60
	Female Employees	%	12.60	11.04	13.04
Employee Turnover Rate by Age	Under 30 (Exclusive) Years Old	%	15.70	18.50	22.82
	30 to 40 Years Old (Inclusive of 30, Exclusive of 40)	%	9.66	12.07	10.95
	40 to 50 Years Old (Inclusive of 40, Exclusive of 50)	%	6.40	9.64	13.95
	50 Years Old or Above	%	7.61	11.36	16.32

Employees' Rights and Interests--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Percentage of contract workers	%	100	100	100
Social Insurance Coverage Rate	%	100	100	100

Employees' Rights and Interests--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Per Capita Paid Annual Vacation Day	Day	5	3.8	4.2

Employee Recruitment--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
New Employees in the Year	Person	1,686	2,349	1,883
- Social Recruitment	Person	1,411	2,077	1,757
- On-campus Recruitment	Person	170	247	126
- Other Channels	Person	105	25	0

Employee Care--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Number of Employees Who Took Maternity Leave	Person	43	34	43
Return-to-work Rate for Employees on Maternity Leave	%	99	100	100

Employee Training--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Training Investment	RMB 10,000	387.51	562.99	581.45
Total Number of Training Sessions	Session	2,410	2,631	2,912
Total Number of Training Sessions	Ten thousand person-times	6.19	6.17	6.36

Employee Development--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Number of Employees Undergoing Internal Transfers or Applying for Internal Positions	Person	1,330	660	1,170
Internal Transfers or Internal Applications Proportion	%	21.77	9.27	15.15

Public Welfare and Charity--Human Resources Dimension				
Indicator Name	Unit	2023	2024	2025
Donation Amount (Including Support for Employees in Need)	RMB 10,000	558.75	126.55	Over 780.00

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Reader Feedback Form

Dear reader,

Hello! Thank you for taking the time to read this report. We greatly value your opinions on our ESG report practices and sustainable development management. Your suggestions are essential for the improvement of our ESG initiatives and the enhancement of our sustainable management practices. We kindly invite you to complete the "Feedback Form" section and share your responses with us through the modes provided below. Once again, thank you for your strong support of our ESG efforts.

Email: zqb@jereh.com

Address: No.5 Jereh Rd., Laishan District, Yantai, Shandong, China

1. Which type of stakeholders do you belong to?

- Shareholders or investors Government or regulatory agencies Employees Customers or partners
 Suppliers Community or public Others _____

2. Your overall assessment of this year's ESG report:

- Very Good Good Average Below Average Poor

3. Your opinion on this report's:

Information Disclosure: Very Good Good Average Below Average Poor

Layout Design: Very Good Good Average Below Average Poor

Readability: Excellent Good Average Poor Very Poor

4. Which topics are of most concern to you? (You may select 3 items)

Governance Topics: Anti-Bribery and Anti-Corruption Anti-Unfair Competition Due Diligence
 Communications with Stakeholders

Social Topics: Employee Rights Protection Employee Training and Development Occupational Health and Safety R&D Innovation and Intellectual Property Protection Product and Service Safety and Quality
 Information Security and Privacy Protection Supply Chain Management Social Contribution

Environmental Topics: Environmental Compliance Management Energy Utilization Response to Climate Change Circular Economy Water Resource Management Pollutant Emissions Waste Management
 Protection of Ecosystem and Biodiversity

5. Are all the information you are concerned about reflected in this year's ESG report?

- Yes No (What additional information would you like to see _____)

6. Do you have any other comments or suggestions regarding our ESG work or sustainable development management?

Thank you again for your understanding and support of our work!