

# 荣盛石化 2025

## 可持续发展报告

RONGSHENG PETROCHEMICAL  
SUSTAINABILITY REPORT 2025



股票代码 | 002493  
stock code



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# About the Report

## Report Information

This report elaborates the performance and management measures of Rongsheng Petrochemical Co., Ltd. (hereinafter referred to as "Rongsheng Petrochemical", "the Company", or "we") in terms of the environment, society, and corporate governance in 2025, with particular focus on stakeholder concerns.

## Reporting Scope

The report covers the Company's information and data from January 1, 2025 to December 31, 2025 (hereinafter referred to as "the reporting period"), and some of the contents can be traced back to previous years or extended to 2026. The report covers Rongsheng Petrochemical and its subsidiaries, and a small portion of the data covers less than the scope defined above. Contents that refer to Zhejiang Rongsheng Holding Group Co., Ltd. (hereinafter referred to as "Rongsheng Holding"), the parent company of Rongsheng Petrochemical, are specified separately.

## Preparation Basis

This report is prepared based on the *Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange No.17 – Sustainability Report (For Trial Implementation)* and the *Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange No.1 - Standardized Operation of Companies Listed on the Main Board*. This report also referred to the *Sustainability Reporting Standards* (GRI Standards) released by the Global Reporting Initiative (GRI), the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* (CASS-ESG 5.0) and the *Guidance on Social Responsibility Reporting* (GB/T 36001-2015).

This report is determined in accordance with an established set of procedures, which consists of identifying and prioritizing material issues about the environment, society, and corporate governance, determining the scope of the report, collecting relevant information, compiling the report, and reviewing the information in the report.

## Data Source

The financial data in this report comes from the Annual Report. Other information and data are from relevant internal statistical reports and documents of the Company. The amount of currency associated with the Company is measured in RMB.

## Glossary

For the convenience of presenting and reading, "the Company", "Rongsheng Petrochemical", and "we" in this report all refer to Rongsheng Petrochemical Co., Ltd. and its subsidiaries. Other companies are referred to as follows:

ZPC	refers to	Zhejiang Petroleum & Chemical Co., Ltd.	Rongxiang Chemical Fiber	refers to	Rongxiang Chemical Fiber Co., Ltd.
Zhongjin Petrochemical	refers to	Ningbo Zhongjin Petrochemical Co., Ltd.	Shengyuan Chemical Fiber	refers to	Zhejiang Shengyuan Chemical Fiber Co., Ltd.
Yisheng Dahua	refers to	Yisheng Dahua Petrochemical Co., Ltd.	Yongsheng Technology	refers to	Zhejiang Yongsheng Technology Co., Ltd.
Yisheng New Materials	refers to	Zhejiang Yisheng New Materials Co., Ltd.	Rongsheng New Materials (Zhoushan)	refers to	Rongsheng New Materials (Zhoushan) Co., Ltd.

## Languages

The report is published in simplified Chinese and English. In the event of contradiction between the two versions, the simplified Chinese version shall prevail.

## Report Assurance

The Company engaged Klynveld Peat Marwick Goerdeler Huazhen LLP to provide limited assurance on the selected 2025 key data in the 2025 Sustainability Report. Please refer to the section "Independent Assurance Report" for more information.

## Confirmation and Approval

Upon confirmation by the management, the report was approved by the Board of Directors and published on April 26, 2026.

## Report Access

This report is available in simplified Chinese and English for readers' reference. To browse online or download this report, please visit the official website of Rongsheng Petrochemical at <http://www.cnrspc.com>, or cninfo at [www.cninfo.com.cn](http://www.cninfo.com.cn).

We value the opinions of our stakeholders, and readers are encouraged to contact us through the following methods. Your suggestions will help us further improve this report and our social responsibility management.

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## Chairman's Message



The year 2025 marks both the 30th anniversary of Rongsheng Petrochemical and the conclusion of China's 14th Five-Year Plan. Against a backdrop of accelerating shifts in the global economic and industrial landscape, Rongsheng Petrochemical has remained steadfast to the operating philosophy of "Sincere Creation, Preeminent Pursuit". Maintaining strategic focus, we have deepened our commitment to the petrochemical sector while driving breakthroughs in technological innovation and management enhancement. We navigate an uncertain landscape with steady operation and continue to explore a path toward high-quality and sustainable development.

**We advance innovation-driven development to forge an industry consensus of "advancing through innovation, and excelling through quality".** Throughout the year, we have aligned our efforts with national strategic priorities and industrial upgrading trends, while intensifying our focus on break-throughs in core and critical technologies. Guided by an integrated industrial chain approach, we have strategically targeted key growth segments such as new energy materials, engineering plastics, high-performance resins, and advanced new materials, thereby solidifying our technological foundations and enhancing product

capabilities. Key projects, including the ZPC Refining-Chemical Integration and the Jintang New Materials initiatives, have progressed steadily. As our industrial chain extends and synergies emerge, breakthroughs in green chemical engineering and intelligent refining technologies have further reinforced the resilience of our operational framework.

**We champion green development to strengthen a foundation for "low-carbon transition and collaborative symbiosis".** This year, we actively responded to the national "carbon peaking and carbon neutrality" goals, embedding green transition across our strategic planning and operational processes. We systematically advanced energy conservation, carbon reduction, clean production, and efficient resource utilization. In 2025, we invested RMB 220 million in environmental protection. Leveraging technological upgrades, process optimization, and refined management, we have made notable strides in reducing greenhouse gas (GHG) emissions, improving water stewardship, and controlling pollutants. Our MSCI ESG rating has risen to A, ranking us first among China's chemical enterprises and placing us among the top tier globally within the commodity and diversified chemicals sector—a testament to the robustness of our ESG governance.

**We foster openness and co-creation to expand a framework of "mutual benefit and global connectivity".** Guided by a global outlook, we pursued new models of international collaboration this year. Building on previously established agreements such as

the *Memorandum of Understanding*, the *Cooperation Framework Agreement*, and the *Joint Development Framework Agreement*, we have maintained close collaboration with Saudi Aramco. This ongoing "strength-to-strength" alliance promotes resource sharing and complementary advantages, helping to cultivate a mutually beneficial industrial ecosystem. True to our vision of "From China to Global Excellence", we will further broaden and deepen international cooperation, enhancing our global resource allocation capacity and overall competitiveness.

**We pursue steady progress to embark on a new journey, and take dedicated action to shape the future.** As we look toward the "15th Five-Year Plan" period, Rongsheng Petrochemical will uphold the mission of "Serve the Country with Industry and Lead Industrial Development". We will refine our modern corporate governance system, emphasize green and digital-intelligent transformation, and foster synergy among economic performance, environmental stewardship, and social responsibility. Together with all our partners, we will move forward on this new journey of high-quality development, contributing to the sustainable prosperity of our industry and the creation of lasting value for society.

Li Shuirong

Chairman

# 01

## About Rongsheng Petrochemical



## About Us

Rongsheng Petrochemical Co., Ltd. (A-share stock abbreviation: Rongsheng Petrochemical, stock code: 002493) was established in 1995 and is headquartered in Hangzhou, China. It is one of the leading enterprises in the petrochemical industry with world-class comprehensive strength. The Company specializes in the R&D, production, and sales of various refined oil products, chemicals, and advanced new materials. It operates seven major production bases strategically located in the Yangtze River Delta Economic Zone, the Bohai Economic Rim, and the Hainan Belt and Road Economic Circle.

As one of the world's leading chemical material manufacturers, the Company operates the world's largest single-unit refining and chemical integration project—a 40 million tonnes/year green petrochemical base, and its production bases' chemical production capacity reaches 60 million tonnes. The Company is a key producer of polyester, new energy materials, engineering plastics, and high-value-added polyolefins in China and Asia. It is also the world's largest producer of chemical products such as para-xylene (PX) and purified terephthalic acid (PTA), with the production capacities of multiple products, including polyethylene, polypropylene, polyethylene terephthalate (PET), ethylene-vinyl acetate (EVA), acrylonitrile butadiene styrene (ABS), and polycarbonate (PC), ranking among the top globally.

Currently, the Company ranks 5th in the Most Valuable Chemical Brands, 7th in the Chemical Producers Billion-Dollar Club, and 9th in the Top 100 Chemical Companies. The Company's controlling shareholder is Zhejiang Rongsheng Holding Group Co., Ltd., which ranks 118th in the Fortune Global 500, 32nd in the Top 500 Chinese Enterprises, and 7th in the Top 500 Private Enterprises of China. In 2023, global petrochemical giant Saudi Arabian Oil Company (hereinafter referred to as "Saudi Aramco") made a strategic investment in Rongsheng Petrochemical, becoming its second-largest shareholder. The two parties have established deep business cooperation in energy supply, technology sharing, sales networks, and other areas, achieving resource sharing, complementary advantages, and mutual benefit, thereby laying the foundation for Rongsheng Petrochemical's globalization process.

The Company actively builds various R&D platforms and adheres to a technology R&D model driven by "independent innovation" and "open cooperation," continuously enhancing its scientific research capabilities. Currently, the Company has established a substantial system of independent intellectual property rights, effectively promoting the innovative development of the enterprise.

While pursuing industrial value, the Company also embraces social responsibility. It persists in implementing strict integrated safety and environmental supervision, promotes advanced low-energy consumption technologies and equipment, and produces green and eco-friendly products. Through concrete actions, the Company injects green energy into the industry and protects the "clear waters and lush mountains."

### Corporate Culture

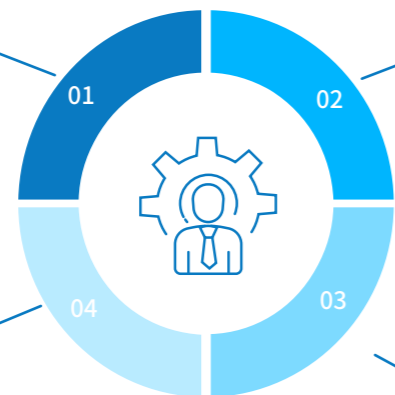
Corporate culture is of utmost importance for the Company's sustainable development. Over more than 30 years of development, Rongsheng Petrochemical has always been following its corporate culture construction to actively undertake social responsibility and steadfastly pursue a path of green innovation and sustainable development.

### Core Values

Honest, optimistic, and grateful

### Management Concept

Sincere Creation, Preeminent Pursuit



### Vision

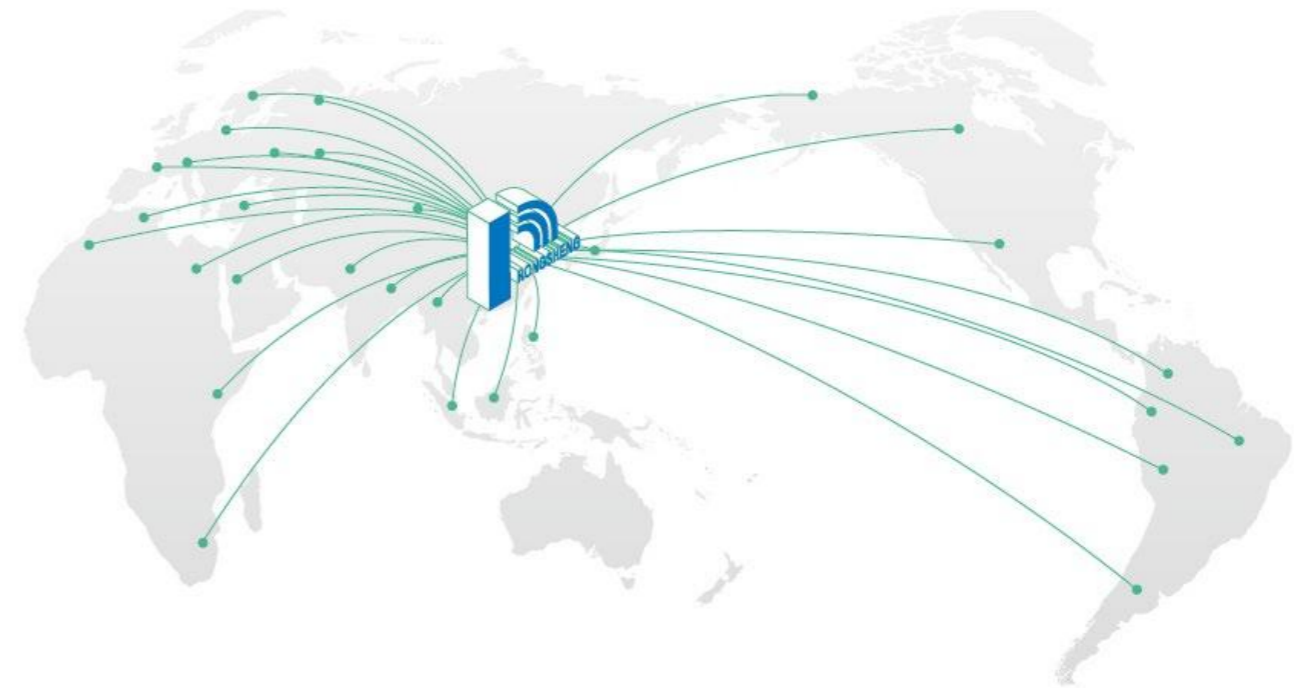
Be a centurial enterprise that is responsible, industry-leading, and sustainably profitable

### Mission

Serve the country with industry and lead industrial development

## Market Structure

The Company's domestic market extends throughout China, and its international market spans multiple countries and regions worldwide.



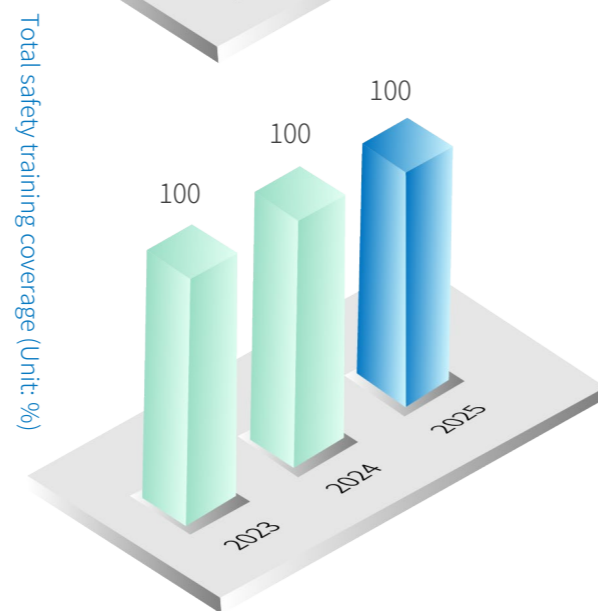
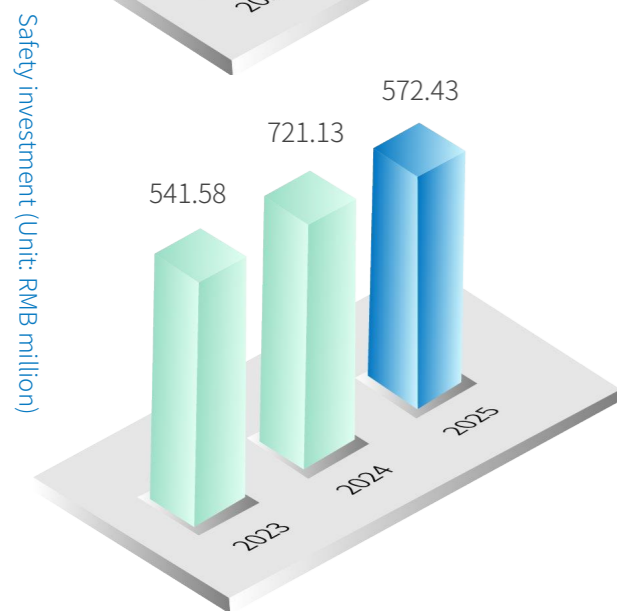
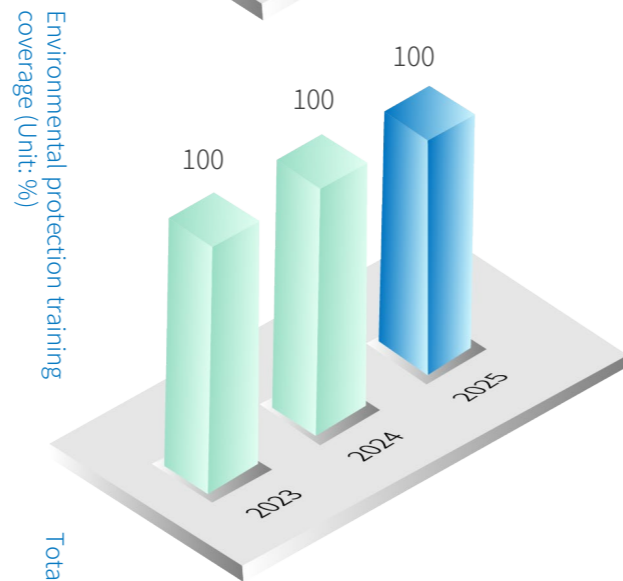
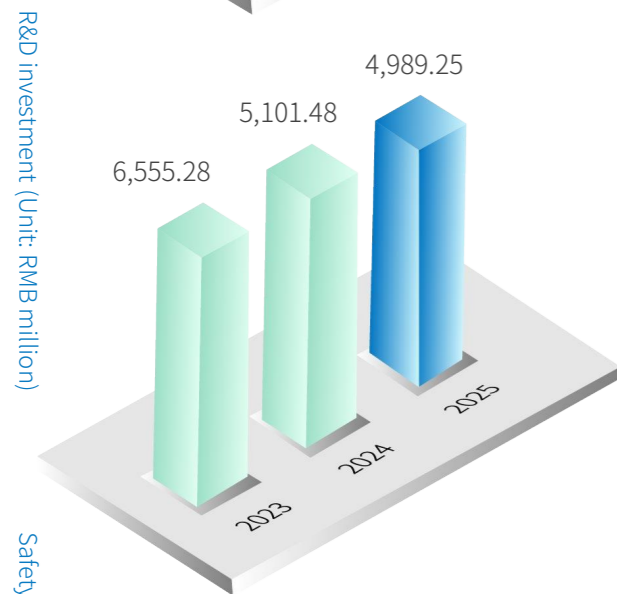
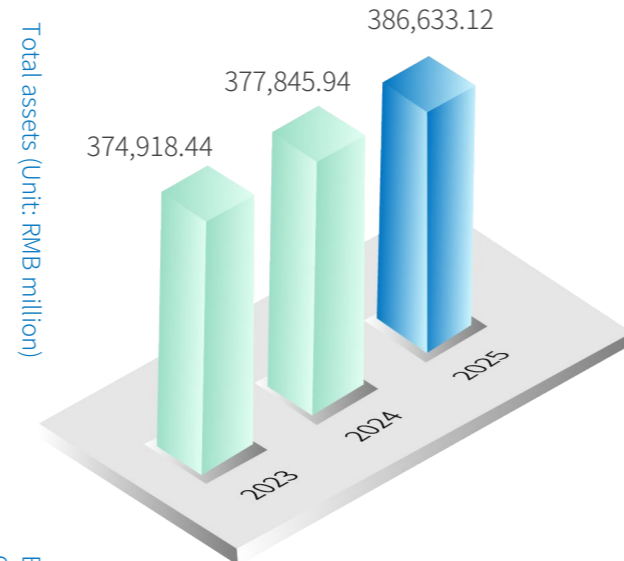
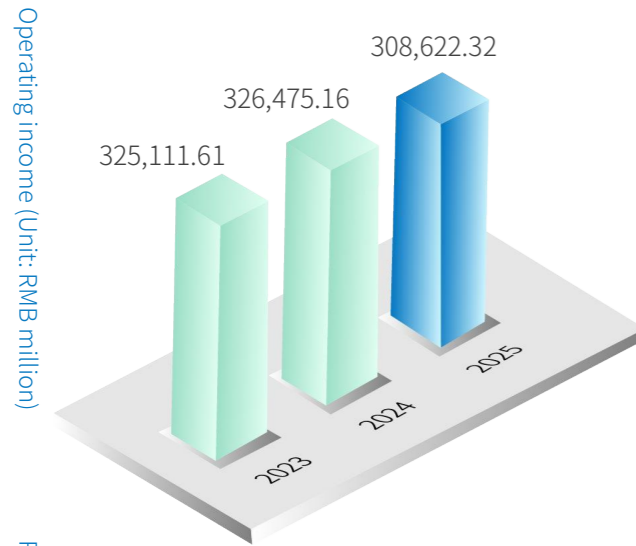
## Core Competitiveness

<p><b>Advantage in Comprehensive Industrial Synergy</b></p>	<p>After years of development and improvement, the Company has seized the opportunities in the industry adjustment and realized rapid growth, with the development mode of "from a drop of oil to everything in the world". Through the extension of the industrial chain, the Company has effectively reduced business costs, realized the mutual support of upstream and downstream sectors, and also improved its sustainable profitability and anti-risk ability.</p>
<p><b>Advantage in Significant Competitive Location</b></p>	<p>Along the eastern coastline of China, the Company's production bases are mainly distributed in Dalian, Liaoning Province of the "Bohai Economic Circle", Ningbo, Zhejiang Province of the "Yangtze River Delta Economic Circle" and Haikou, Hainan Province of the "Belt and Road Economic Belt" and "Maritime Silk Road". All production sites are adjacent to high-quality ports, connected to the canal, and the terminal facilities are fully equipped. The main raw materials and other auxiliary raw materials required for the production of the Company's products can be unloaded and stored at the Company's self-built or rented chemical material wharf, which greatly facilitates the transportation of bulk raw materials and their inventory adjustment.</p>
<p><b>Advantage in Outstanding Strategic Layout</b></p>	<p>The Company has strong market sensitivity and flexible decision-making mechanism, keeps an eye on market dynamics, and makes timely and accurate adjustments to the strategy under the institutional advantages of its own fast pace and few links, and grasps the opportunities of the market situation. Management has a keen investment acumen, accurate timing of project production, and excellent investment and financing capabilities. With the steady advancement of new projects, the Company is poised to achieve orderly capacity expansion across key sectors including new energy materials, renewable plastics, specialty synthetic materials, and high-end synthetic materials. This will significantly accelerate the green transition of its product portfolio.</p>
<p><b>Advantage in Strong R&amp;D Innovation</b></p>	<p>The Company adheres to a science and technology R&amp;D model driven by the dual principles of "independent innovation" and "open cooperation". We have built a first-class research and development platform such as a high-tech research and development center, an academician expert workstation, an enterprise technology center, and a postdoctoral research workstation. We actively engage in external technical exchanges and discussions, and proactively promote industry-academia-research integration and collaboration. The Company has established a scientific research achievement incubation platform that covers the entire R&amp;D process from laboratory research to industrial demonstration production, effectively driving the transformation of research outcomes from technological breakthroughs into industrial applications. In recent years, the Company has continuously increased scientific research cooperation with domestic and foreign institutions, and its R&amp;D investment has grown year by year, maintaining an industry-leading position in R&amp;D strength.</p>
<p><b>Advantage in Abundant Talent Resource</b></p>	<p>The Company places high priority on corporate culture development, which has fostered a positive work environment and strong organizational cohesion. Through initiatives such as internal training and external recruitment, the Company has cultivated a stable team of core talents in management, R&amp;D, and technical fields. The Company values the cultivation of on-the-job employees, based on reality and comprehensive planning, constantly broadens the employee selection platform, and establishes an effective incentive mechanism, so that all kinds of talents have a "stage where they can exercise their abilities".</p>
<p><b>Advantage in Efficient Operation and Management</b></p>	<p>The Company adheres to institutionalized construction, integrates digitalization, intelligence, standardization, process establishment and normalization into the operation of the enterprise, fully integrates procurement, production, inventory, sales and other business links, and continuously improves the ability to respond quickly. The Company has established a set of effective management systems based on its own actual situation, clarified job responsibilities and work processes, and effectively reduced operating costs through refined management.</p>

## Recognition

<p><b>118th of the 2025 Fortune Global 500</b></p> <p>Fortune Magazine (US)</p>	<p><b>33rd of the 2025 Fortune China 500</b></p> <p>Fortune Magazine (US)</p>	<p><b>2025 Forbes China Globalization Brands Top 30</b></p> <p>Forbes China</p>	<p><b>5th of the Most Valuable Chemical Brands 2025</b></p> <p>Brand Finance</p>
<p><b>9th of the ICIS Top 100 Chemical Companies</b></p> <p>Independent Commodity Intelligence Services (ICIS), a data and analysis provider in the global petrochemical market</p>	<p><b>7th of the Chemical Producers Billion-Dollar Club</b></p> <p>Chemical Week (US)</p>	<p><b>14th of 2025 Global Top 50 Chemical Firms</b></p> <p>Chemical &amp; Engineering News (US)</p>	<p><b>32nd of the Top 500 Chinese Enterprises in 2025</b></p> <p>China Enterprise Confederation &amp; China Enterprise Directors Association</p>
<p><b>2nd of China Petroleum and Chemical Enterprise Top 500 (Independent Production and Operation) in 2025</b></p> <p>China Chemical Enterprise Management Association</p>	<p><b>8th of the Top 500 Petroleum and Chemical Enterprises (General) in 2025</b></p> <p>China Petroleum and Chemical Industry Federation &amp; China Chemical Enterprise Management Association</p>	<p><b>7th of the Top 500 Private Enterprises of China in 2025</b></p> <p>All-China Federation of Industry and Commerce</p>	<p><b>7th of the Top 500 Manufacturing Enterprises of China in 2025</b></p> <p>China Enterprise Confederation &amp; China Enterprise Directors Association</p>
<p><b>The 2025 EU Industrial R&amp;D Investment Scoreboard Global Top 2000 R&amp;D investors</b></p> <p>European Commission</p>	<p><b>2nd of 2025 Zhe Shang National Top 500 Enterprises</b></p> <p>Zhe Shang Magazine</p>	<p><b>2025 China Listed Company Yinghua Award — A-share ESG Exemplary Case</b></p> <p>CHINAFUND</p>	<p><b>Zhejiang Province AA-Level "Contract-Abiding and Credit-Worthy" Publicly Listed Enterprise</b></p> <p>Hangzhou Municipal Administration for Market Regulation</p>

## Performance Highlights



## Remuneration Appraisal

The Company has adopted the *Rongsheng Holding Group Overall Appraisal Program* (hereinafter referred to as the "Appraisal"), which takes the Company's Directors and senior management into consideration, and has incorporated changes in sustainability performance indicators into the remuneration structure of Directors and senior management, so that their remuneration is tightly linked to sustainability goals. The Appraisal involves daily HSE supervision and management (including contractors), incident management, safety training, employee satisfaction, and business ethics. The Company conducts annual appraisals of Directors and senior management in accordance with the Appraisal and determines the annual bonus allocation plan on the basis of the appraisal scores.

### Remuneration for the Company's Senior Management in 2025

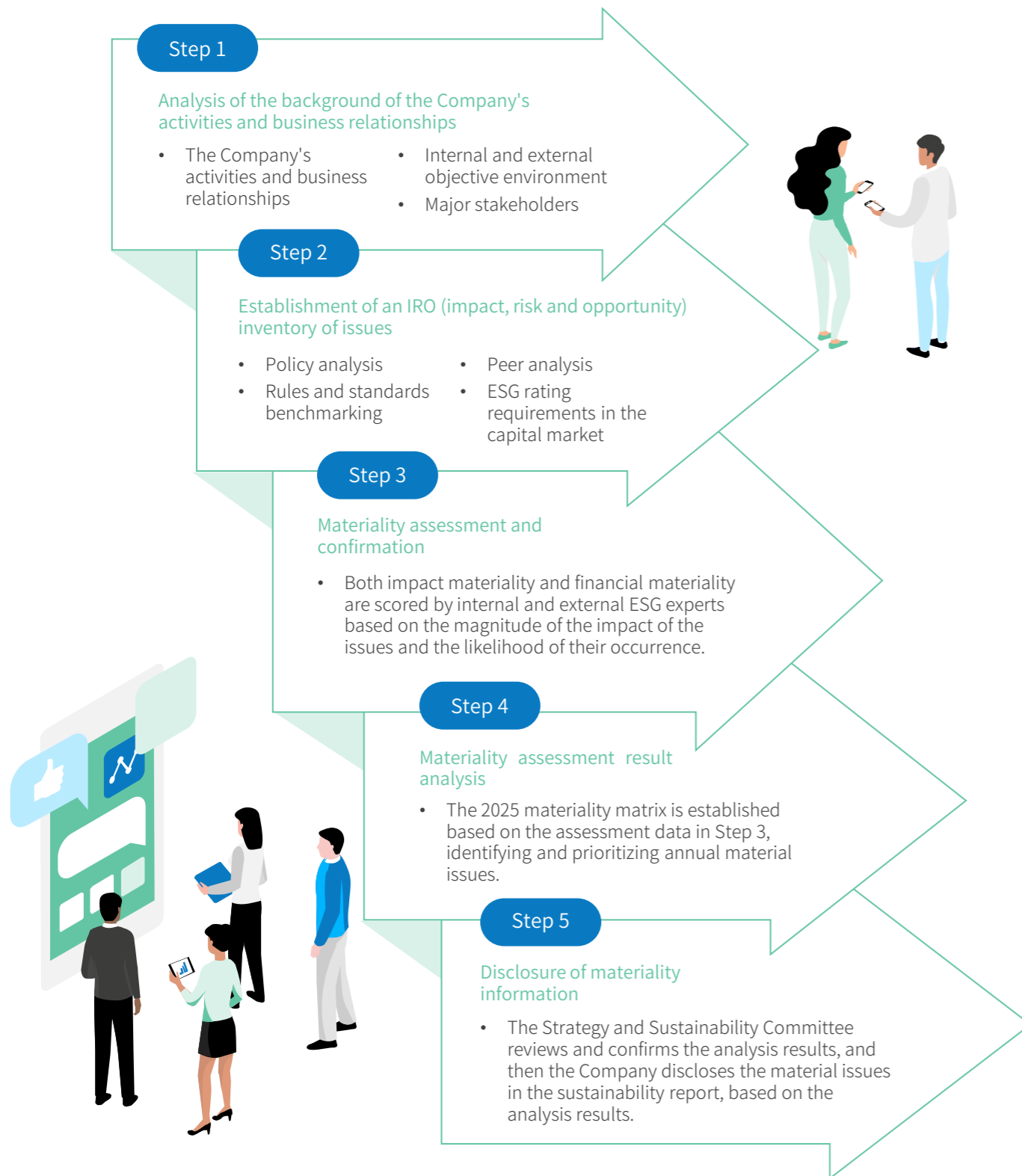
Name	Fixed salary [monthly payment] (RMB 10,000)		Variable pay [year-end payment] (RMB 10,000)		Total remuneration payable before tax (RMB 10,000)	Total actual remuneration before tax (RMB 10,000)
	Total salary	Other allowances	Annual bonus payable before tax	Actual annual bonus payable before tax		
Xiang Jiongjiong	217.71	2.36	157.00	160.28	377.07	380.35
Zhou Xianhe	125.85	1.40	47.30	40.72	174.55	167.97
Quan Weiyong	84.71	1.17	27.73	25.27	113.61	111.15
Wang Yafang	85.07	0.88	39.94	39.26	125.89	125.21

Note: Variable compensation is determined based on the achievement of assessment indicators set at the beginning of the year, including resource and energy consumption data, compliant emissions, stakeholder relationship management, brand building, and other sustainability performance. In 2025, the Company's senior management practically completed the goals set at the beginning of the year.



## Materiality Assessment

Rongsheng Petrochemical conducted a company-wide materiality assessment following the procedures below:



### Step 1: Analysis of the background of the Company's activities and business relationships

When conducting materiality assessment, the Company profoundly analyzes the background of each management activity and business relationship at first, and then conducts interviews with management personnel to obtain information on business, management, employees, products and services, and market conditions. Meanwhile, we analyze internal and external policies, risk assessment reports and ESG standards, to sort out the status quo, opportunities and challenges of sustainable development. We are committed to building cooperative and mutually beneficial relationships with both internal and external stakeholders to achieve win-win situation and maximized value with joint endeavors. We maintain active communication with stakeholders via multiple channels to learn about their demands and concerns and responded to stakeholders with practical actions.

Stakeholders	Concerns		Communication Channels	
 Shareholders and investors	Compliance Risk Management	Performance growth and return Business Ethics	Shareholders' meetings Company announcement Regular reports and communication Press conferences/meetings	Investor surveys Hotline Mailbox WeChat official account
 Government and regulators	Fully paying taxes according to the law Supporting the state strategies	Low-carbon operation and environmental protection Energy conservation and emission reduction	Press release/announcements The Company's official website	Regular communication Information disclosure
 Customers	Product quality R&D Innovation	Customer rights and interests Customer Services	Hotline E-mail Satisfaction surveys	Customer visits Customer complaints The Company's official website
 Employees	Equal employment Remuneration and benefits	Employees development Employee care Occupational health and safety	Suggestion boxes Employees' meetings Hotline	Employee events Service evaluation
 Partners	Fairness and transparency Integrity in contract performance	Cooperation and mutual benefits Responsible sourcing Protection of intellectual property rights	Technical meetings Online communication Regular visits	Suppliers' meeting Hotline
 Communities	Supporting public welfare and charity Supporting community construction	Low-carbon operation and environmental protection Energy conservation and emission reduction	Charity events Media communication and coverage	Site visits

**Step 2: Establishment of an IRO (impact, risk and opportunity) inventory of issues**

By benchmarking peer enterprises, studying macro policies and laws and regulations, finding out industry development trends, and grasping ESG rating requirements in the capital market, we identify potentially material issues that can reflect the impacts of the Company's business on economy, environment and society or influence stakeholders' decisions. By doing so, we aim to ensure that the identified issues are in line with regulatory requirements as well as good international practices. With extensive reference to the issue identification methods and prioritization results of peer enterprises performing excellently in respect of sustainability, we identify material issues that draw intensive concerns and update the IRO inventory of issues.

**Step 3: Materiality assessment and confirmation**

We assess and prioritize issues based on their impact materiality and financial materiality. Impact materiality focuses on whether the Company's performance in respective issues significantly affects economy, society and environment. Financial materiality focuses on whether each issue is expected to significantly affect the Company's business model, business operations, development strategy, financial position, operation results, cash flows, financing methods and costs in the short, medium and long terms<sup>1</sup>. In line with regulatory requirements, risk assessment standards and actual production and operations, we set the determination thresholds for and prioritize impacts, risks and opportunities, taking into account the feedback from stakeholders and internal and external experts. Ultimately, the assessment results are output to inform strategic decision-making and resource allocation.

When assessing the impact of sustainability issues, we consider the magnitude of the impacts on environment and society and as well as the frequency of occurrence:

Consideration	Description
Magnitude of impacts on environment and society	It refers to the extent of impact, and is categorized into high, medium and low levels.
Frequency of occurrence	It measures how often an issue occurs, and is categorized into high, medium and low levels.

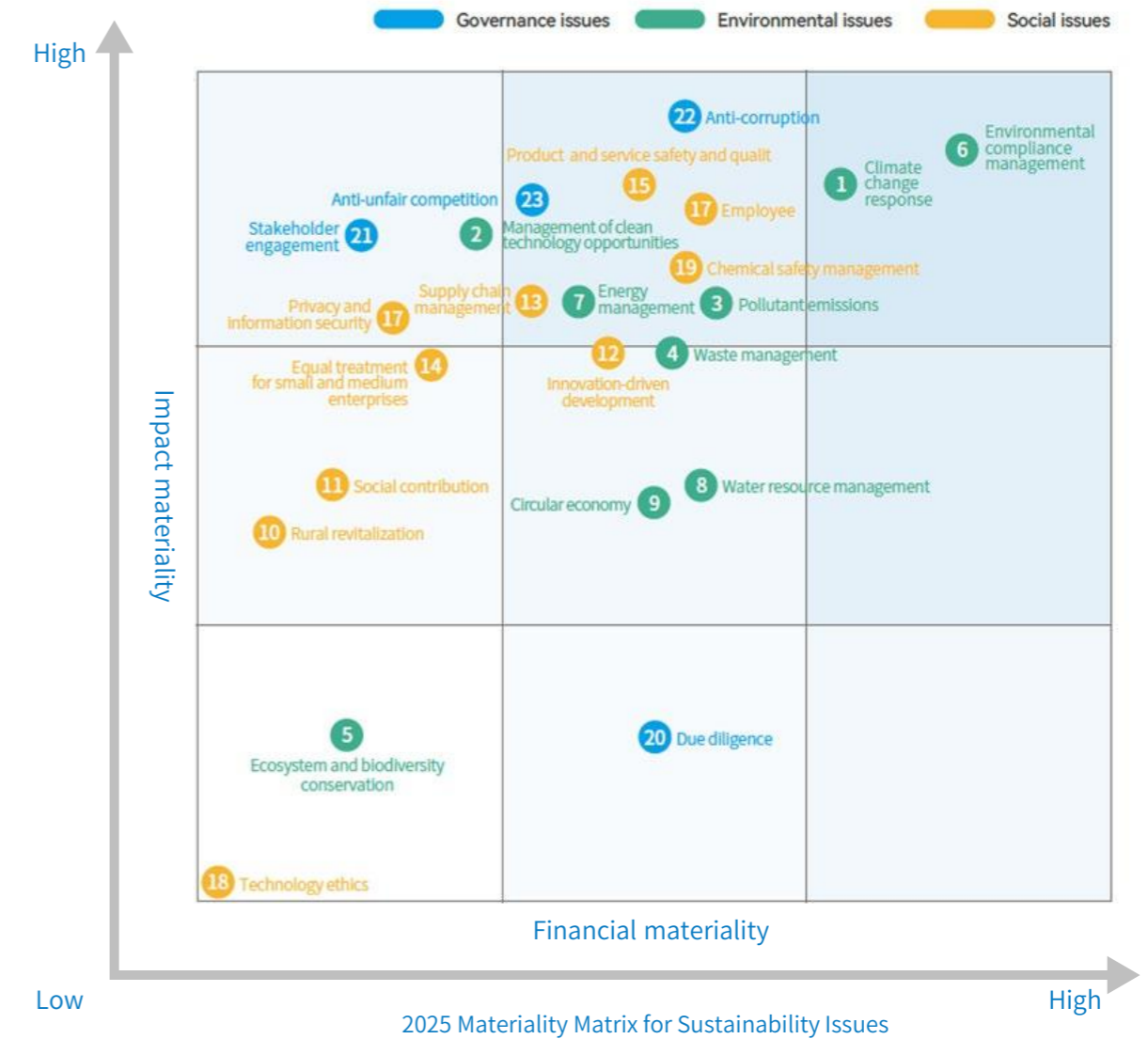
When assessing the risks and opportunities of sustainability issues, we consider the severity of property damage consequences, the magnitude of impact on property gains, and the frequency of occurrence:

Consideration	Description
Severity of property damage consequences	It refers to the extent of property damage consequences, and is categorized into high, medium and low levels.
Magnitude of impact on property gains	It refers to the extent of influence of impacts on property gains, and is categorized into high, medium and low levels.
Frequency of occurrence	It measures how often an issue occurs, and is categorized into high, medium and low levels.

1. The period of time is defined as short term when it is shorter than 1 year, medium term when between 1 year and 5 years, and long term when longer than 5 years, in order to align with the Company's strategic development plan, industry characteristics, nature of risks and opportunities and resource allocation plan.

**Step 4: Materiality assessment result analysis**

We adopt the two-dimensional matrix of "financial materiality - impact materiality" to present the materiality assessment results. We have identified that "climate change response" and "environmental compliance management" are material in respect of finance. Meanwhile, these two issues also are material in respect of impact.



## ESG Governance

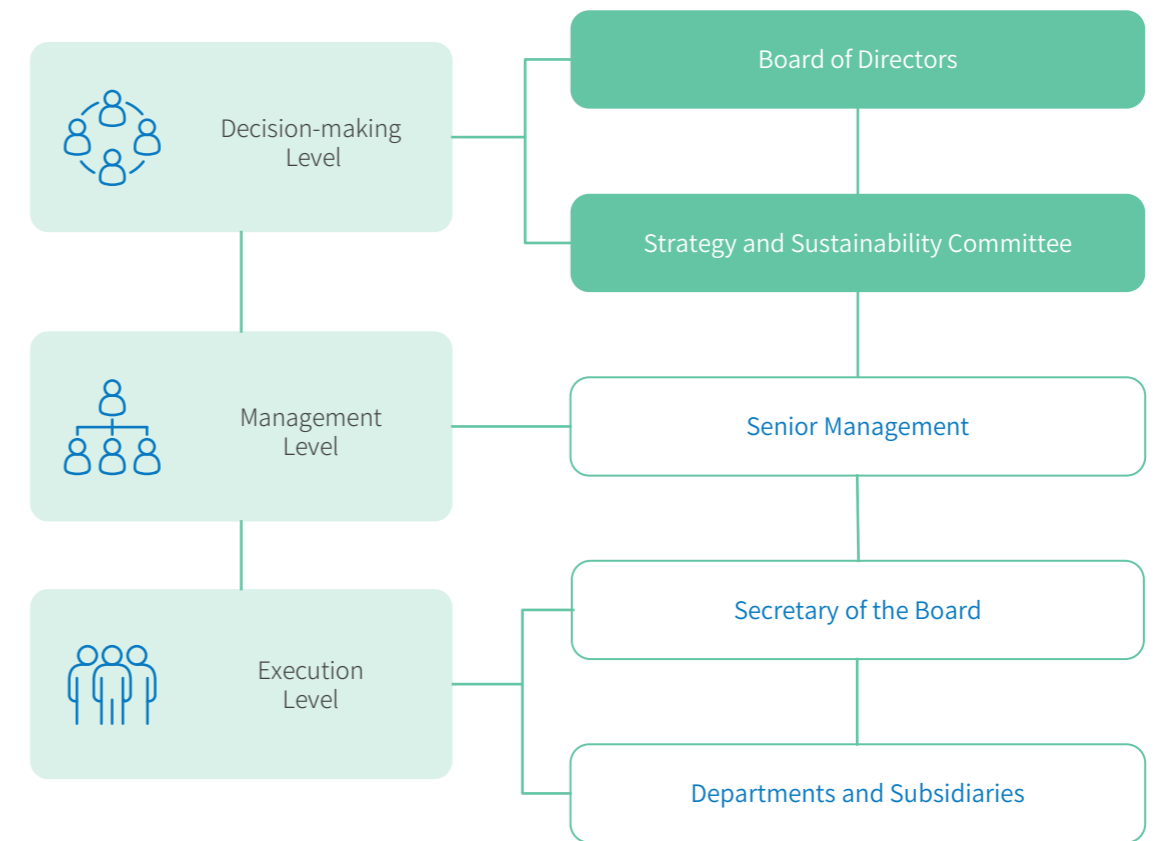
The Company actively integrates ESG management into its operational development. We steadily advance social responsibility practices and work with stakeholders to generate value and share development outcomes, acting as a company that sincerely pays back to society and earnestly fulfills social responsibility.

The Company has set up a top-down ESG governance structure that involves multiple stakeholders. The Board of Directors serves as the highest decision-making body for ESG governance, overseeing the Strategy and Sustainability Committee, which is chaired by the Chairman and includes four additional directors as its members. The Strategy and Sustainability Committee is responsible for reviewing the Company's environmental management-related matters, including environmental strategic planning, environmental goal setting, environmental policy formulation and execution management, climate risk assessments, environmental performance, and environmental information disclosure. The Strategy and Sustainability Committee regularly reports to and is under the supervision of the Board of Directors. The Office of Board Secretary leads other departments and the subsidiaries in implementing and promoting ESG governance practices. This structure clearly defines the responsibilities and promotes cooperation within the Company, laying a solid foundation for the Company's ESG governance and sustainable development management.

The Strategy and Sustainability Committee holds a regular meeting at least once a year to receive briefings from management on the progress of ESG matters. Various topics are discussed at the meeting, including ESG policy trend, key issue management, potential risks and opportunities, progress towards targets and information disclosure. Through the meeting, we can ensure that ESG-related impacts, risks and opportunities are fully considered for decision-making, work planning and resource allocation. During the reporting period, the Strategy and Sustainability Committee hold one meeting in total to review the Company's ESG management.

The Company organizes regular training sessions lectured by industry experts, covering areas such as the latest ESG trends, excellent case studies and professional skills. These training sessions provide the Board of Directors, the management team and relevant personnel with ESG knowledge and practical skills, enabling them to support the Company's strategic planning, policy implementation and regulatory compliance.

Rongsheng Petrochemical ESG governance structure



# 02

## Ensuring Operational Compliance to Enhance Growth Strength

A sound governance system and a fair, healthy business environment form the bedrock for an enterprise's stable operation and long-term progress. Rongsheng Petrochemical is committed to continuously optimizing governance mechanisms and upholding rigorous business ethics, ensuring all activities are carried out in full regulatory compliance. The Company deeply integrates the development principles of "innovation, coordination, sustainability, openness, and sharing" into its business strategy. We actively foster constructive engagement with all stakeholders, proactively fulfill our responsibilities as a corporate citizen, and employ systematic social responsibility management, thereby providing solid support as we advance into a new stage of high-quality development.



## Corporate Governance

In strict accordance with the applicable laws, regulations, and regulators' requirements of the locations where the Company's stocks are publicly offered, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Shares on the Shenzhen Stock Exchange*, and the *Self-Regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange No.1 - Standardized Operation of Companies Listed on the Main Board*, Rongsheng Petrochemical continues to improve the corporate governance structure. The Company establishes and enhances its internal control system, standardizes corporate operations, constantly improves internal management requirements by formulating the *Internal Reporting System for Material Information* and other policies. These efforts aim to achieve full coverage of the systems, refine the internal control system, and maximize the protection of the interests of shareholders, stakeholders, and employees.

The Company has established a governance structure which consists of the Shareholders' Meeting, the Board of Directors, and the senior management. The Company has independent business and operational autonomy and operates independently in terms of its business, assets, personnel, organization, and finance. During the reporting period, a total of 7 meetings of the Board of Directors, 6 meetings of the Board of Supervisors<sup>2</sup>, and 5 Shareholders' Meetings, were held. A third-party law firm confirmed that the convening and corresponding procedures of the Shareholders' Meetings complied with the relevant laws and regulations, such as the *Company Law of the People's Republic of China*, the *Rules on Shareholders' General Meetings of Listed Companies*, the *Shenzhen Stock Exchange Detailed Rules for the Implementation of Online Voting of Listed Companies at the General Meeting of Shareholders*, as well as applicable normative documents and the *Company's Articles of Association*. The Shareholders' Meeting of the Company adopted on-site voting and online voting, and voting is carried out by registered voting, and all the proposals of the general meeting of shareholders have been passed, and there is no selective information disclosure.

We place emphasis on the diversity in gender, professional background and expertise of our Board of Directors. By the end of the reporting period, the Company had 9 Directors, including 1 foreign Director and 8 domestic Directors, and 3 of the Directors were female. Among the current Directors, 3 are professors, and 4 hold master's degrees. Our Directors have professional background in a variety of disciplines including finance, law, and economics, and they all have rich experience in the industry, ESG management and risk management. They are capable of reviewing the Company's decision-making in a more inclusive, long-term, and international perspective, effectively improving the Company's internal governance efficiency and laying the cornerstone for the stable and sustainable development of the Company. The information on Directors and senior management is detailed in the *2025 Annual Report*.

The Strategy and Sustainability Committee, the Audit Committee, the Risk Control Committee, the Nomination Committee, and the Remuneration and Appraisal Committee were instituted under the Board of Directors. Each committee assumes its responsibilities and collaborates with the others to ensure the Company's high-quality development.

Note: The chairpersons of the committees are shown with their names in bold.



**Li Shuirong**,  
Shao Yiping,  
Yao Zheng, Yu Yi,  
Li Yongqing

- Review the Company's major business strategies
- Supervise and verify the Company's major investment decisions
- Review and supervise the Company's ESG matters, and regularly report to and be subject to the supervision of the Board of Directors

2. Since October 2025, the Company no longer has a Board of Supervisors, and the powers and functions of the Board of Supervisors have been assumed by the Audit Committee of the Board of Directors.



**Shao Yiping**,  
Yao Zheng, Yu Yi,  
Li Yongqing, Li  
Cai'e

- Inspect the Company's compliance with laws and regulations
- Review the Company's accounting policies, financial position, and financial reporting procedures
- Communicate with the Company's external auditors
- Appraise the internal auditors and their work
- Appraise the Company's internal controls
- Review and supervise the existing or potential risks in the Company



**Yu Yi**, Shao Yiping,  
Yao Zheng, Xiang  
Jiongiong, Li  
Cai'e

- Focus on the overall business targets, and execute the basic process of risk management in all aspects of its management and operation to establish a good culture of risk management
- Establish a sound risk management system that includes risk management strategy, risk financing measures, organizational function system for risk management, risk management information system and internal control system to provide reasonable assurance for the overall targets of risk management



**Shao Yiping**,  
Yao Zheng, Yu Yi,  
Li Shuirong, Yu  
Fengdi

- Analyze the composition of the Board of Directors and define the requirements for Directors
- Establish criteria and procedures for the selection of Directors
- Conduct an extensive search for qualified Director candidates
- Conduct a formal review of Director candidates nominated by the Board of Directors
- Finalize the candidate list for voting on the Shareholders' Meeting



**Yao Zheng**,  
Shao Yiping, Yu Yi,  
Li Shuirong, Yu  
Fengdi

- Formulate criteria for the appraisal of Directors and senior management and conduct the appraisal
- Formulate and review the remuneration policies and schemes for Directors and senior management

## Information Disclosure Management

With great importance attached to information disclosure management, we strictly comply with relevant regulatory requirements, and actively fulfil our disclosure obligations, to ensure the compliance and transparency of information disclosure. We have formulated internal information disclosure management systems such as the *Management System for Information Disclosure Affairs*, the *Information Insider Registration Management System*, and the *Accountability System for Major Errors in Information Disclosure in Annual Reports*, and prepared the *Specification for Announcement Format* to regulate information disclosure standards and reporting procedures and ensure that the information disclosed is true, accurate, and complete. In 2025, there were no major negative reports or doubts about corporate social responsibility in the public media. For details of the Company's profit distribution, please refer to the *2025 Annual Report*. In the future, the Company will continue to improve the information disclosure mechanisms, and enhance the quality of disclosures. Moreover, the Company will enhance the relationship with the capital market through fair and transparent communication, to give back to investors in gratitude for their trust and support.

## Investor Relations Management

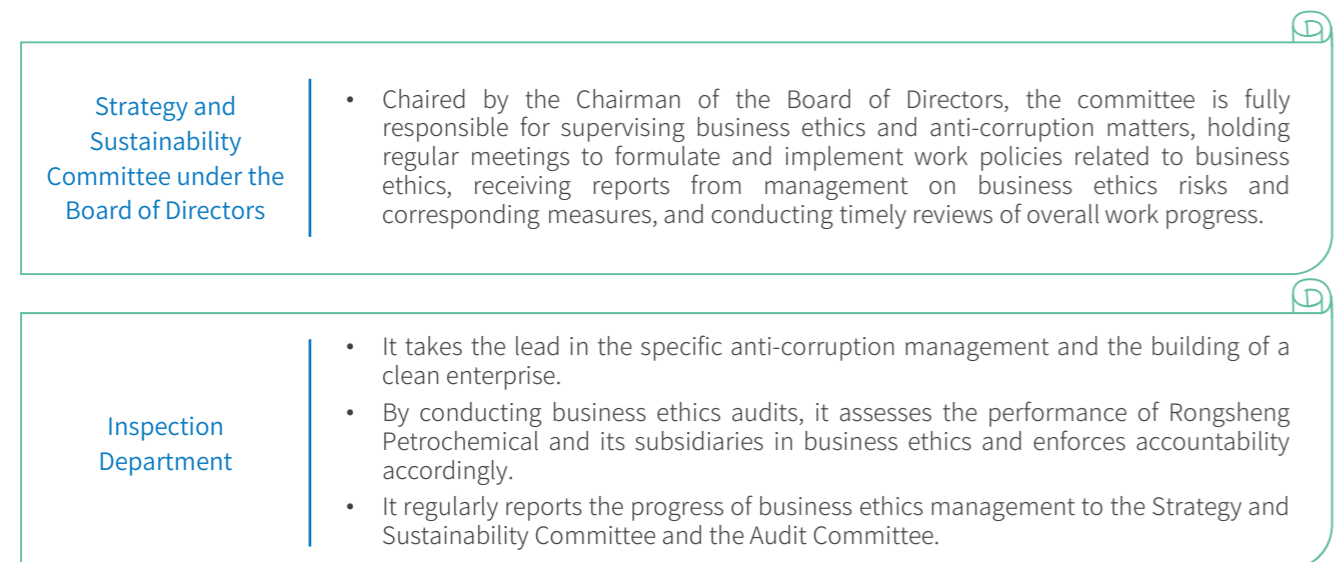
Guided by the idea of "respecting and rewarding investors", we continuously refine the investor relations management. We have formulated the *Investor Relations Management System* and appointed dedicated management personnel. We effectively safeguard the rights and interests of investors through multi-channel and holistic communication and interaction with investors. The Company regularly hosts performance briefings and Investor Reception Day events, collaborates with institutions for on-site research, convenes teleconferences, and actively participates in collective Investor Reception Day events in the jurisdiction and institutional investment strategy summits. The Company has set up an investor hotline and responds to investors' enquiries through the Shenzhen Stock Exchange's IRM platform to ensure daily communication with investors. Through practical and sufficient communication and dialogues, the Company has built a positive image in the capital market and deepened the capital market's understanding of the Company.

## Business Ethics Management

Business ethics is an important cornerstone for the Company's long-term stable development. The Company strictly complies with the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and other laws, regulations and normative requirements. The Company has formulated internal policies such as the *Regulations on Employees' Integrity Practice* and the *Business Ethics Policy*, to enhance business ethics management. The Company strictly regulates the conduct of employees and urges them to consciously abide by social and professional ethics. We adhere to compliant operation and fair competition, prohibiting any form of commercial bribery, money laundering and monopoly. The Company expressly prohibits employees from engaging in any activity that may constitute unfair competition, such as business defamation, false publicity, and improper acquisition or use of business opportunities. Moreover, we strictly require all employees and suppliers to abide by business ethics. During the year, the Company did not experience any litigation or significant administrative penalties resulting from commercial bribery, corruption or unfair competition.

## Establishing Management Framework

The Company has incorporated business ethics risk assessment in the scope of key risk identification and risk assessment. Moreover, the Company regularly identifies business ethics-related risks and maps out specific response measures. To address business ethics risks in key areas, the Company not only conducts internal audits and special inspections, but also formulates and implements targeted preventive measures. For major business ethics issues identified, the Company's Inspection Department is responsible for rectifying findings, while the Strategy and Sustainability Committee of the Board of Directors is responsible for monitoring and managing the progress of rectification in a timely manner.

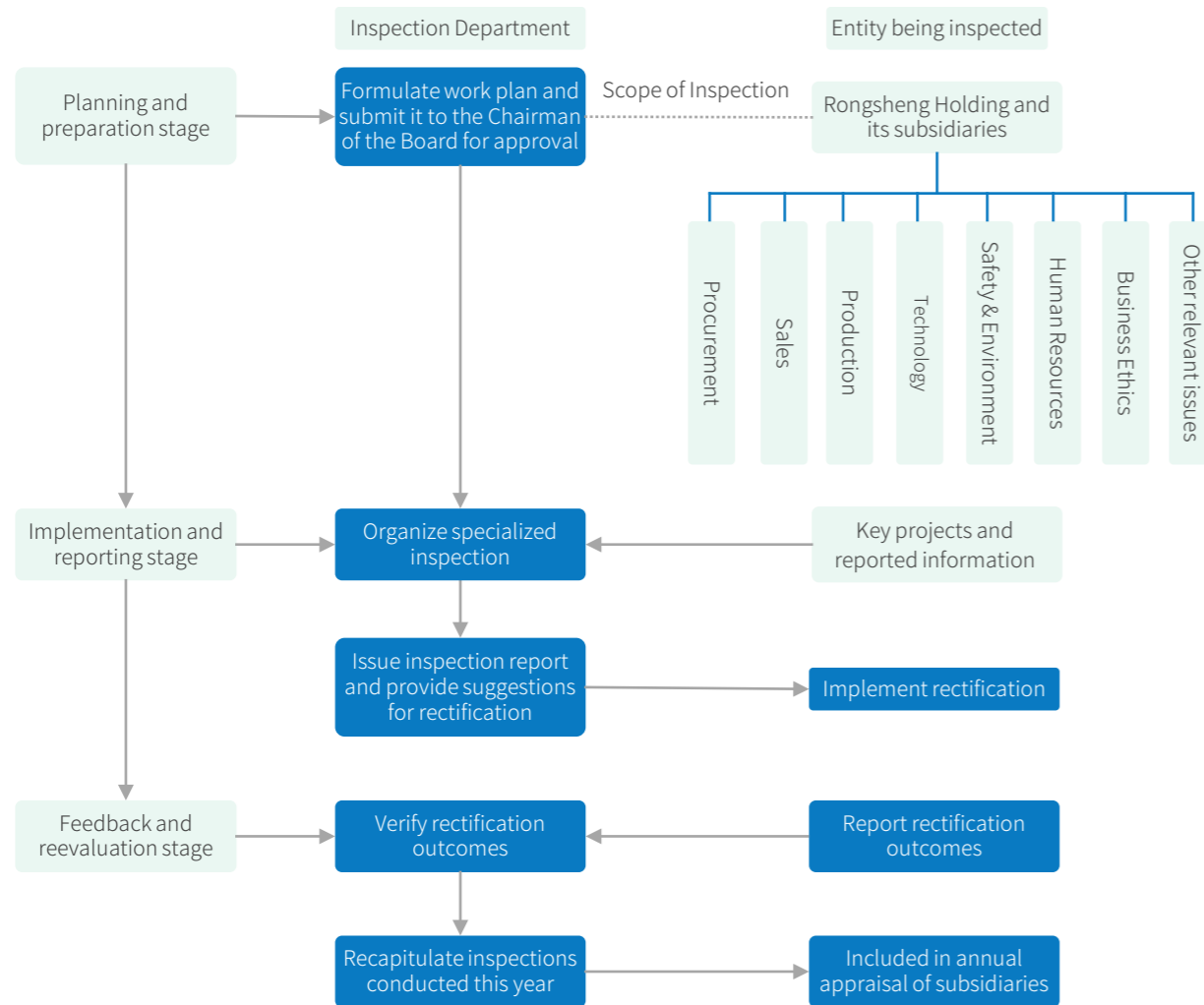


## Improving Audit Procedures

The Company constantly improves its internal supervision system, performs annual all-employee audits, and regularly studies and deploys key business ethics tasks, to achieve full coverage of business ethics audits of the Directors, senior management and all employees within the Company. The work plan for audit is arranged in 3 stages of "Planning and preparation - Implementation and reporting - Feedback and reevaluation" as detailed below:



Diagram of Inspection and Audit Procedures



During the reporting period, the Inspection Department completed 29 audit projects across all operating sites and business lines of Rongsheng Petrochemical and its subsidiaries. Among these, 6 audit projects were related to business ethics and anti-corruption, resulting in 6 audit reports issued. The rectification rate for identified issues reached 100%. The Company will continue to advance business ethics audits and closely monitor the level of business ethics management.

## Business Ethics Training

Guided by the Company's *Business Ethics Policy* and other policies, we have established a robust business ethics training system, and strictly carry out all training tasks. In addition to requiring Directors, senior management and all employees to complete internal business ethics and anti-corruption training annually, the Company also completes various external training on business ethics in accordance with regulatory requirements.

In 2025,

- The Directors of the Company participated in **2** internal training sessions, covering business ethics, insider trading and other related issues.
- The Company conducted training on business ethics for all employees. All employees of Rongsheng Holding and its subsidiaries (including part-time and dispatched employees) watched a training video about integrity education through "Rongsheng Learning and Testing Platform". This move further improved the overall business ethics of our employees and helped them form correct occupational values.
- The Company arranged special training, "Learning from Cases", for middle and senior technical management personnel and employees in key positions. We invited officers from the Economic Crime Investigation Brigade of the Xiaoshan District Public Security Bureau in Hangzhou to share typical cases of clean practices, and a total of more than **1,000** people attended the sharing on site or watched the live streaming online.
- The Company organized on-site warning education and training, with a total of **95** personnel from the commercial segment visiting the Zhejiang Provincial Law and Discipline Education Base for learning. Additionally, **40** key personnel from the Group were selected to attend court hearings on duty-related crimes.

During the year,

the Company's anti-bribery and anti-corruption training covered **19,849** employees

which included

**387**  
management officers

**9**  
directors

achieving a coverage rate of  
**100%**



Special training on "Learning from Cases"



Visit to the law and discipline education base

We require all suppliers and customers who participate in the quoting and bidding activities on the e-commerce platform<sup>3</sup> to sign the *Rongsheng Holding E-Commerce Platform Letter of Commitment* in advance, which includes the Company's integrity requirements for suppliers, their employees and customers. The Company incorporates business ethics management requirements and channels for supervision and reporting into supplier contracts. Additionally, suppliers are required to sign a *Supplier Commitment Letter* concurrently with the contract execution, through which the Company clarifies its business ethics standards, thereby strengthening the ethical oversight of key business activities such as procurement and sales.

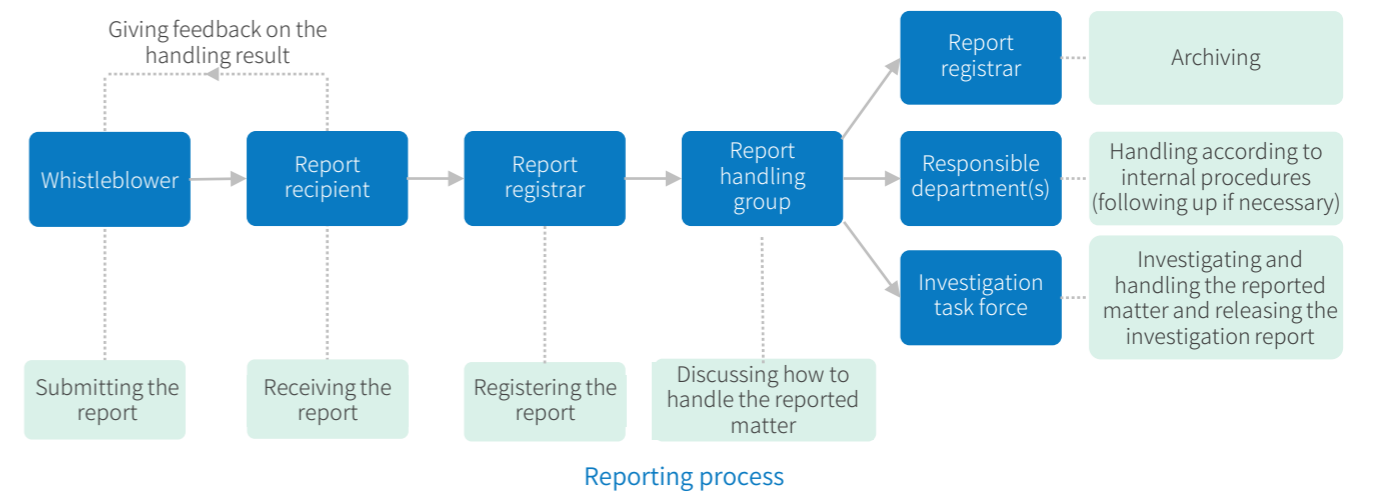


3. Suppliers of the Company's procurement and sales business mainly participate in quotations and bidding through the Rongsheng e-commerce platform.

## Reporting Mechanism

To regulate the performance of duties and promote ethical practice, the Company has established an integrity reporting mechanism to receive and process reports from employees and the public. We accept reports on corruption, fraud, neglect of duty, and behaviors that harm our regular production, operation, and management activities.

The Company's Inspection Department is in charge of the work related to reporting on integrity. The Inspection Department assigns dedicated personnel to manage the Reporting Platform and establishes a report handling group, which accepts reports from individuals either with real-name or anonymous disclosure. After receiving a report, the report handling group conducts a preliminary assessment. Based on the Inspection Department's scope of responsibility, the nature of the reported issue, the severity of the violation, and the feasibility of verification, the case is categorized and addressed accordingly. Following an initial verification, a handling proposal is formed. For reports submitted with real-name identification, we provide timely feedback on the handling results to the whistleblower and maintain further communication regarding updates on the matter.



The Company continuously improves reporting channels. In 2025, as applications within the "Rongsheng e-Office" platform became widely adopted among employees, the Company integrated a Compliance Supervision Reporting Platform into "Rongsheng e-Office". Employees can now directly access and locate the reporting platform through "Rongsheng e-Office" to submit reports. We have established an information-based audit management system that not only allows for supervision of the audit process, maintains the confidentiality of audit information, and enables verification of audit outcomes, but also provides professional guidance to the Inspection Department, thereby effectively improving work efficiency and accuracy.



The Company strictly prevents the leakage of reporting information, and implements the whistleblower protection mechanism. The Company has formulated the *Requirements for Reporting Confidentiality and Whistleblower Protection*, and the *Human Resources Management Regulations*, specifying the principle of handling the reported issues, and measures for reporting confidentiality and whistleblower protection. We strictly prohibit all forms of retaliation. Once any retaliation behavior is found, it will be strictly handled in accordance with the *Implementation Measures for Rewards and Punishments for Employees of Rongsheng Holding Group Headquarters*. Access to the information about the whistleblowers and contents of their report are limited to the Inspection Department internally. If the report involves significant matters, its access will be limited to the investigation task force. We have implemented tiered access controls and reinforced security measures within our audit management information system, effectively protecting the whistleblowers and their close relatives at the source of information.

# 03

## Conserving Ecology and Unleashing Green Potential

Rongsheng Petrochemical integrates the philosophy of green development into its corporate strategy and regards environmental protection as a critical foundation for long-term growth. The Company strictly adheres to environmental compliance requirements, delves into new areas of low-carbon emission reduction and resource management, actively responds to climate change, and continuously fulfills its corporate environmental responsibilities. During the reporting period, we did not experience any major environmental protection accidents, major complaints regarding environmental protection, major environmental administrative penalties, or any other environmental issues.



## Enhancing Environmental Management

We continuously improve our environmental management system and strictly abide by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment* and other laws and regulations, ensuring that all operational activities meet environmental regulatory requirements. Based on the characteristics of their operation, each subsidiary has developed internal policies including the *Environmental Protection Management Accountability*, the *Management Measures for Environmental Protection Facilities*, and the *Plan for Environmental Emergencies*. These policies are designed to effectively manage and limit environmental impact arising from their operational activities, thereby advancing the building of a resource-conserving and environment-friendly green enterprise.

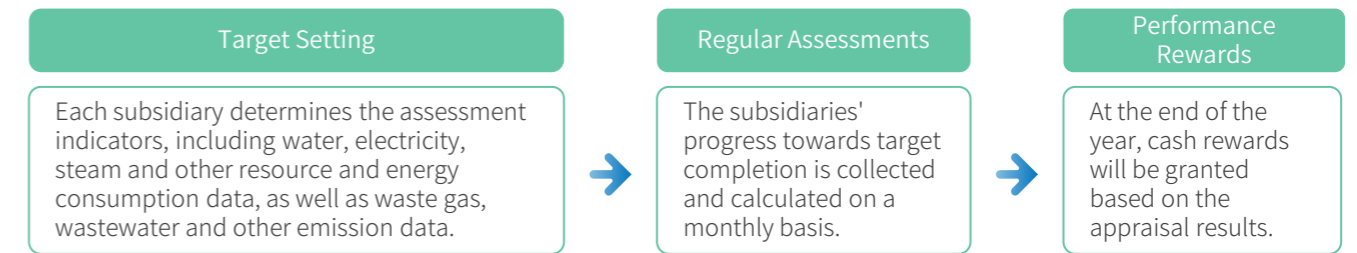
## Environmental Compliance Management

### ◆ Governance Structure

Level	Role
Governance Level	<p>The Strategy and Sustainability Committee is responsible for:</p> <ul style="list-style-type: none"> <li>Reviewing and supervising the Company's strategic planning, policy formulation, target setting and implementation management in respect of environmental protection;</li> <li>Reviewing and supervising the Company's environmental risk assessment, environmental performance, environmental information disclosure and other related matters;</li> <li>Ensuring that the Company's management system of environmental risks and opportunities is in line with the strategic direction, regulatory requirements and stakeholder expectations.</li> </ul>
Management Level	<p>The HSE Management Group/HSE Committee is responsible for:</p> <ul style="list-style-type: none"> <li>Building and improving the framework of environmental management policies;</li> <li>Setting annual targets, work plan and management evaluation plan in respect of environmental management;</li> <li>Improving the Company's supervision and inspection system for environmental management and carrying out supervision on a regularly basis;</li> <li>Inspecting the implementation of environmental hazards identification, remediation and preventive measures;</li> <li>Organizing the development of the Company's plan for environmental emergencies and carrying out the Company's emergency drills;</li> <li>Regularly reporting to the governance level on environmental management.</li> </ul>
Execution Level	<p>The executive level of the Company is responsible for:</p> <ul style="list-style-type: none"> <li>The daily management of environmental protection;</li> <li>Routine environmental monitoring, and contingent monitoring for emergencies and projects;</li> <li>Investigating and analyzing abnormal data and taking corrective measures;</li> <li>Reporting the results of environmental protection efforts to management.</li> </ul>

In accordance with the *Professional Assessment Rules for HSE Management* and other environmental performance assessment policies of the Company, we have established a target responsibility system and a performance assessment system, linking environmental performance with managers' remuneration. In addition, we inspect and assess each department monthly for purpose of implementing the Company's supervision and inspection.

### Process of environmental performance assessment



Each year, the Company develops training plans on environmental management to enhance the capabilities of the Strategy and Sustainability Committee and management in fulfilling their environmental management responsibilities. These capabilities mainly include:

<p><b>Expertise in environmental management</b></p> <p>Be possessed of the expertise in environmental science, pollution control and other disciplines, and knowledge of domestic and international environmental protection policies and regulations.</p>	<p><b>Environmental risk assessment and management ability</b></p> <p>Be possessed of the knowledge of methods and tools for assessing environment-related risks and opportunities to assess the impact of environmental factors on the Company's production and operations and the external environment, and formulate risk and opportunity management plans.</p>
<p><b>Ability to plan and implement environmental strategy</b></p> <p>Formulate and implement action plans for pollutant reduction targets, environmental protection technology development, resource efficiency improvement and adaptation to environmental changes, and be possessed of the expertise in environmental management.</p>	<p><b>Ability to communicate and coordinate environmental issues</b></p> <p>Communicate and exchange information with all levels within the Company and external stakeholders on environmental issues, and cooperate with external institutes to promote the implementation of the Company's sustainable development projects, ensure the support and coordination for action plans, and jointly push ahead environmental targets.</p>

### ◆ Response Strategy

Rongsheng Petrochemical actively conducts the identification of risks and opportunities in environmental compliance management, develops response measures for its core risks and opportunities, and incorporates such measures into the environmental management system throughout its daily production and operation activities. The Company further elevates the weighting of environmental management-related factors in corporate decision-making. In the decision-making process of major corporate matters including new project construction, production upgrading and retrofitting, the Company fully takes potential environmental protection risks and opportunities into account, to effectively mitigate potential risks and capture development opportunities arising from environmental management. In 2025, the Company allocated RMB 219.90 million towards environmental management and protection. Please see Section IV, Part 15 "Disclosure of Environmental Information" in the Company's *2025 Annual Report*.

Description of major environmental management risks and opportunities	Time frame of impact	Impact description	Response measures
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Risks

Rongsheng Petrochemical may generate solid waste and pollutants such as waste gas and wastewater during its production and operation. Failure to properly dispose of such issues may result in increased compliance and pollutant disposal costs due to violations of relevant environmental protection laws and regulations, or give rise to legal expenses from relevant litigation, and may also exert adverse impacts on the Company's reputation.

Long term

The Company's production and operational processes may generate various pollutants that are harmful to the environment and human health. If these pollutants are not properly treated, or if emergencies such as fires, explosions, or leaks occur, they may contaminate the soil, air, or water in the vicinity of the facility, resulting in the death of wildlife and adversely affecting the daily lives and health of residents in the surrounding communities.

**Strengthen environmental monitoring:**

Rongsheng Petrochemical has built an integrated environmental monitoring system to conduct real-time monitoring of the discharge of various pollutants, ensure that emission indicators comply with all environmental protection standards, and promptly activate disposal measures in the event of emission exceedance, so as to effectively control environmental impacts.

**Strengthen compliance management:**

Establish a robust environmental compliance management system to ensure that production and operation comply with the latest environmental regulations, and regularly conduct internal compliance reviews to reduce costs and legal risks associated with violations.

**Carry out emergency management:**

In light of actual operation, the Company conducts environmental risk identification and assessment, and strengthens risk prevention and control measures for key areas. The Company continuously improves internal policies such as the *Plan for Environmental Emergencies*, clarifies the emergency organization structure and response procedures, and regularly organizes emergency drills to enhance the capability to handle environmental emergencies.

Description of major environmental management risks and opportunities	Time frame of impact	Impact description	Response measures
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Opportunities

Rongsheng Petrochemical can actively manage the generation and disposal of various pollutants and waste by improving technologies and production processes, which may reduce the Company's exposure to policies on environmental protection and lower compliance costs.

Long term

The Company continuously deepens environmental compliance management and actively implements environmental management initiatives, to reduce the negative environmental impacts of operational activities. The Company may play an exemplary role in the sustainable development of the chemical industry and provide a valuable reference model for the industry's overall green transition.

**Technical innovation:** Invest in R&D and introduce advanced environmental protection technologies to improve the efficiency of pollutant treatment and reduce waste generation.

**Policy utilization:** Keep abreast of government incentives in environmental protection, such as tax incentives and subsidies, dynamically optimize the Company's strategies, and fully leverage the empowering effects of relevant policies.

Develop circular economy that gives full play to resources, to reduce Rongsheng Petrochemical's production and operation costs, or generate additional benefits.

Long term

The development of a circular economy can curb Rongsheng Petrochemical's demand for resources, minimize environmental exploitation from its operations, lower environmental impacts, and play an exemplary role in the sustainable development of the chemical industry.

**Collaboration projects:** Work with research institutes, universities and partners in the industry to carry out environmental protection projects, explore approaches for the resource utilization of waste, and accelerate the innovative R&D and application of environmental protection technologies through the sharing of resources and technologies.



### ◆ Impact, Risk and Opportunity Management

Rongsheng Petrochemical has established a standardized environmental risk and opportunity management system, and all subsidiaries regularly carry out the identification and assessment of environmental risks and opportunities. According to the *Environmental Management Systems* (GB/T 24001-2016), the Company has developed the *Management Procedure for Environmental Factor Identification and Risk Evaluation*. A cross-functional team consisting of professionals with rich experience in environmental factor evaluation and production management carries out relevant work. The Company adopts methods including environmental factor questionnaires, process flow analysis and material balance analysis to identify environmental factors and relevant environmental impacts in operational activities, products and services, quantify the volume of risk substances, and assess production processes, emission points of various pollution sources, environmental risk control levels and prevention and control measures. Taking into account the receptors affected by environmental risks and opportunities, the Company determines the levels of relevant risks and opportunities, develops corresponding response measures, and prepares the *Assessment Report on Environmental Risks and Opportunities* to guide the Company's environmental risk and opportunity management.

The cross-functional team of each subsidiary establishes a risk and opportunity matrix based on the likelihood of occurrence and impact magnitude of risks and opportunities and determines the risk coefficients, to qualitatively classify the identified risks and opportunities. In determining the risk coefficient, the cross-functional team assesses the probability of impacts, risks and opportunities occurring within a certain period based on historical data, industry experience and other factors, and measures the magnitude and scope of environment-related risks and opportunities from financial, operational, reputational and other dimensions.

### ◆ Metrics and Targets

For the identified environmental compliance management risks and opportunities, the Company clearly defines the primary responsible departments, and formulates corresponding management measures or action plans, including establishing management systems, optimizing the indicator system, setting environmental objectives, standardizing production operation procedures, planning technical upgrading or facility retrofitting projects, and evaluating the effectiveness of response measures or plans. The HSE management team or HSE committee at the management level of each subsidiary defines the timeline for the implementation of management measures or action plans, and regularly evaluates the results of the work to ensure the full implementation of such measures and plans. For detailed metrics and targets, please refer to "Controlling Pollutant Discharge" and "Main Environmental Performance Indicators" in this Chapter.

## Environmental Management System

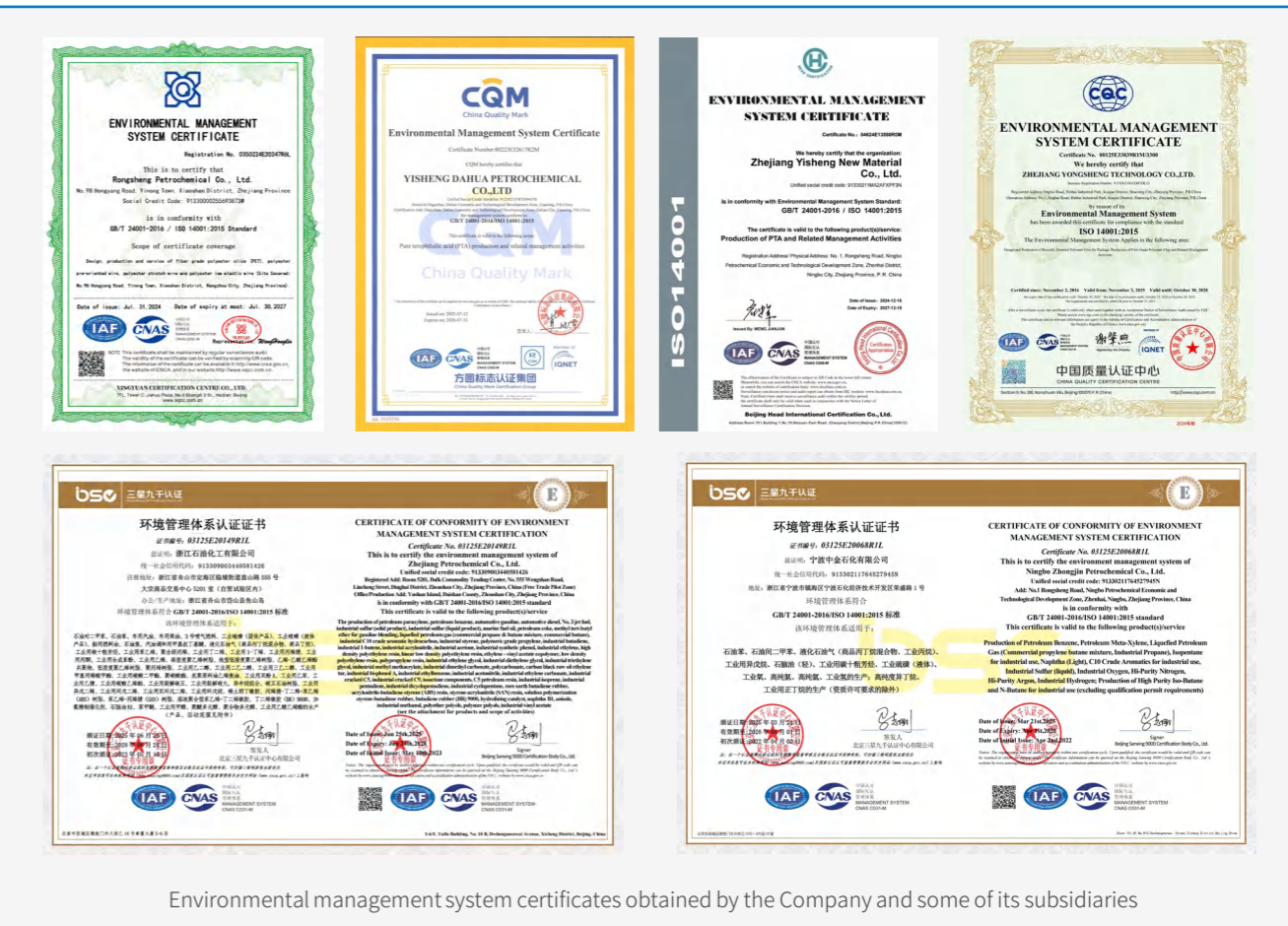
The Company attaches great importance to the proper operation of the environmental management system. In accordance with the requirements of the ISO 14001 Environmental Management System, the Company has established its environmental management policy, defined departmental responsibilities, promoted environmental management measures, and improved the environmental emergency response plan. The Company has clearly defined the performance appraisal requirements for environmental management, conducts annual full-process environmental audits at all operational sites, cooperating with internal audit expert teams to inspect production site environments, waste disposal, and the operation status of environmental protection facilities. Identified issues are rectified through closed-loop corrective actions. Meanwhile, the Company continues to advance the certification of its environmental management system. 100% of our subsidiaries in operation have obtained ISO 14001 Environmental Management System certificate. Companies that have obtained ISO 14001 certification undergo one or two professional third-party compliance audits annually to ensure the sound operation of the environmental management system.

### Case: ZPC conducted integrated management system audit

ZPC takes the environmental management system as a key pillar for its sustainable operation, and regularly conducts system audits. In June 2025, under the supervision of external professionals from Beijing Sanxing 9000 Certification Body Co., Ltd., ZPC set up a special audit team together with its internal auditors. The team conducted a systematic audit of all business departments and operation units focusing on key links including the fulfillment of compliance obligations, environmental control of processes, emergency management, environmental performance monitoring, and rectification of non-conformities. For the identified issues, ZPC promptly advanced rectification, tracked implementation results, and took audit outcomes as the basis for ongoing management improvement and optimization.

### Case: Yisheng Dahua conducted environmental management training

This year, Yisheng Dahua, a subsidiary of the Company, carried out specialized training on environmental management, which covered national laws and regulations including the *Environmental Protection Law of the People's Republic of China*, as well as the Company's internal environmental management policies such as the *Management Regulations on Environmental Protection and the Management Regulations on Environmental Operation*. The training reached a total of over 3,600 participants including employees and contractors, and strengthened the environmental management capacity and awareness of relevant personnel.



Environmental management system certificates obtained by the Company and some of its subsidiaries

In 2025

Environmental protection investment	Number of major environmental pollution accident	Proportion of pollutant discharge up to the standard	Proportion of noise controlled up to the standard	Environmental protection training coverage
RMB <b>219.90</b> million	<b>0</b> case	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Environmental Impact Assessment and Audit

Rongsheng Petrochemical focuses on the environmental impact management of its production and operational activities, and controls the impact of its projects on the surrounding ecological environment through systematic environmental impact assessment (EIA) work. We incorporate environmental factor identification and environmental monitoring throughout the project design, construction, and operation processes. We have also submitted our environmental monitoring data and environmental impact assessment results to relevant government agencies promptly to urge ourselves to continuously advance our environmental management and data system construction. All our new construction, renovation, and expansion projects have passed environmental impact assessments, which cover environmental hazards, ecological impact assessments, water and air quality analysis, and noise monitoring.

The Company actively cooperates with the national, provincial and municipal bureaus of ecology and environment on external environment audit, rectifies identified issues promptly and investigates similar ones. The HSE Department verifies the outcome of rectification and then reports to the administrative authority on ecology and environment.

The Company formulates internal inspection plans and conducts internal environment audit which focus on aspects such as the operation of environmental protection facilities, the compliance of the discharge of "three wastes"<sup>4</sup>, and the operation of the environment-emergency-related facilities. Each subsidiary actively arranges environmental inspections of different frequencies and a comprehensive environmental emergency drill annually in light of the importance of equipment, facilities, and production processes to improve environment management by combining internal and external checks.

In addition, in accordance with the requirements of the Emission Permit, the Company develops an environmental monitoring plan. Moreover, for key pollution sources, the Company installs automatic online monitoring systems, to realize online monitoring and interconnection with government platforms. We regularly submit pollution source monitoring data, prepare the report on the implementation of the emission permit, and disclose environmental information to the public, accepting the supervision of the government, the public and stakeholders.

## Ecological Environment Protection

Attaching great importance to ecological environment protection, Rongsheng Petrochemical spares no efforts to realize a harmonious coexistence of industrial development and ecological environment protection, contributing to the construction of a green and sustainable industrial park. The Company is located in an industrial park. The environmental assessment demonstrates that our operations do not have significant impact on the surrounding ecosystem and biodiversity. When taking water from/discharging wastewater to the sea, the Company strictly follows the requirements of the environmental assessment. We survey the density of the fish population in the seawater intake and discharge area, calculate the possible biological losses caused by the project implementation, and take corresponding biological compensation measures accordingly. Every year, the Company organizes and implements stock enhancement and release initiatives, with a view to actively replenishing and restoring marine biological resources, and safeguarding the stability and sustainability of the marine ecological environment in the surrounding waters of its projects.

4. Including wastewater, waste gas and solid waste.

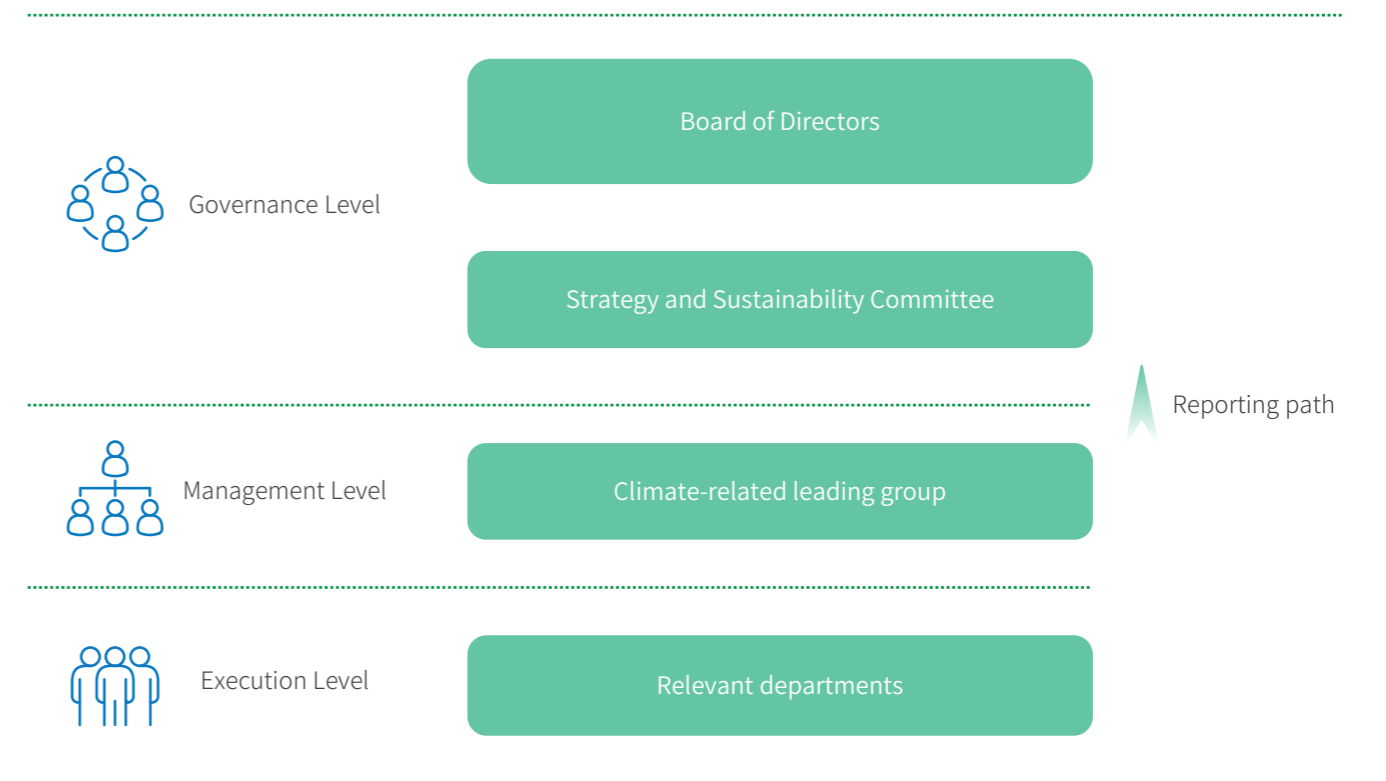
## Responding to Climate Change

As a leading enterprise in the petrochemical industry, the Company is deeply aware that it bears great obligation to respond to climate change and the national strategic deployment of "carbon peaking and carbon neutrality" goals. The Company actively adopts effective carbon management measures, carries out energy conservation and emissions reduction practices across production and operations, and explores pathways for carbon resource utilization. Through concrete actions, the Company contributes to the achievement of the national "carbon peaking and carbon neutrality" goals and fulfills the corporate responsibility for green development.

## Governance Structure

The Strategy and Sustainability Committee under the Board of Directors of the Company coordinates and oversees the Company's ESG governance practices and performance, including climate change issues. In addition, the committee reviews the Company's climate-related objectives and strategies, evaluates the management of impacts, risks and opportunities related to climate change, and monitors the progress toward climate-related targets and the implementation of related efforts. The committee convenes meeting at least once a year to hear management's report on management of impacts, risks, and opportunities related to climate change, and makes suggestions. The committee takes the above responsibilities to ensure that the Company's climate change response strategy is aligned with the Company's strategic orientation, regulatory requirements and stakeholder expectations.

### Climate governance structure



Each subsidiary of the Company has set up a climate-related leading group at management level. Based on the carbon reduction requirements of the chemical industry, the "carbon peaking and carbon neutrality" action plans of the provinces and municipalities where the Company operates, the layout of the Company's industrial portfolio, and the current state of carbon management technologies, the leading group coordinates the planning, implementation, evaluation and supervision of climate-related tasks, and reports to the Strategy and Sustainability Committee on a regular basis.

At the execution level, the Company defines responsibilities and tasks in response to climate change for relevant subsidiaries and departments, requiring them to break down the Company's carbon emission management goals into their own work objectives and task lists to carry out key initiatives. They are required to report regularly to the leading group the information on achievements and progress of climate-related initiatives, trends of GHG emissions data, innovations and applications in low-carbon technologies, monitoring and early warning information for climate-related disasters, and other relevant matters.

Besides, the Company engages external professional consultants with climate expertise to provide specialized advisory services on managing climate-related risks and opportunities. These consultants also conduct relevant training to assist the Strategy and Sustainability Committee and management in enhancing their oversight and management capabilities regarding climate-related affairs. These capabilities mainly include:

<b>Expertise in climate-related disciplines</b>	Be possessed of the expertise in environmental science, energy management, etc., and knowledge of domestic and international policies and regulations on climate change.
<b>Risk assessment and management capability</b>	Apply risk and opportunity assessment tools to perform in-depth analysis on impacts of climate change on the operations and external environment of the Company, and formulate targeted risk and opportunity management strategies.
<b>Strategy planning and execution capability</b>	Set emission reduction targets based on the Company's existing business and future plan, actively promote the development and application of low-carbon technologies, strive to improve energy efficiency, and create action plans for adaptation to climate change.
<b>Communication and coordination capability</b>	Effectively communicate and share information with all levels of employees within the Company and external stakeholders on climate-related issues, to win the support and collaboration of all parties involved for the action plans. Actively cooperate with external organizations to advance the implementation of low-carbon emission reduction initiatives, and work together with them to achieve climate targets.

## Response Strategy

As a pillar industry of the national economy, the petrochemical industry faces a number of challenges in response to climate change, such as pressure on carbon emissions, market volatility and the complexity of resource management arising from energy transition. However, technological innovation and clean energy development bring new opportunities to the petrochemical industry. Under this macro situation, we integrate climate considerations into our strategic planning, comprehensively assess the impact of our business on climate change and identify the risks and opportunities to achieve sustainable development and contribute to the green and low-carbon transition of the industry.

## Major climate-related impacts and management measures

Type of impact and description			Management measures
Negative impact	GHG emissions	Chemical production generally leads to high energy consumption and may accelerate global warming, while certain production processes featuring high energy consumption will also pose adverse impact on the environment.	<ul style="list-style-type: none"> <li><b>Energy audit and efficiency improvement:</b> Reduce energy consumption and GHG emissions by conducting energy audits, refining production processes, phasing out high energy consumption equipment, and introducing energy-saving technologies and equipment.</li> <li><b>Energy recovery:</b> Promote thermal recovery system to save energy.</li> <li><b>Clean energy substitution:</b> Promote the use of clean energy sources such as wind and solar power to accelerate the replacement of fossil fuels in our operations, thereby reducing carbon dioxide emissions at the source.</li> <li><b>Carbon emission monitoring and reporting:</b> Strengthen monitoring and management of GHG emissions to ensure compliance with environmental protection standards.</li> </ul>
Positive impact	Application of clean technologies	Promote the low-carbon transition of the industry by setting carbon emission targets, investing in renewable energy and exploring low-carbon technologies.	<ul style="list-style-type: none"> <li><b>Setting emission reduction targets:</b> Set clear carbon emission targets, and reduce GHG emissions by developing and implementing actionable plans.</li> <li><b>Exploring low-carbon technologies:</b> Continuously invest in R&amp;D, promote low-carbon production process, actively deploy carbon capture, utilization, and storage (CCUS) technologies, and explore carbon dioxide removal (CDR) solutions.</li> <li><b>Cross-field cooperation:</b> Carry out cross-field cooperation with universities and research institutes on innovation of technology and production models in relation to low carbon and clean energy, to accelerate low-carbon business transition.</li> </ul>

With reference to the Shared Socioeconomic Pathways (SSPs) and the climate scenarios published by the Network for Greening the Financial System (NGFS), as outlined in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6), the Company integrates a range of critical uncertainties—including evolving policy landscapes, market dynamics, technological developments, economic conditions, and environmental factors—into the assessment framework. Grounded in the actual production and operational context, the Company establishes reasonable, scenario-based assumptions to evaluate the resilience of its corporate strategy, business model, and other key aspects to climate change over the short, medium, and long term. Based on this analysis, the Company formulates phased adaptation and mitigation strategies accordingly.

Based on the assessment, under reasonable and scenario-consistent assumptions, physical climate risks are expected to have a limited impact on the Company, whereas transition risks may present a moderate level of impact. As China's national emissions trading scheme (ETS) continues to expand sectoral coverage, the government has initiated preparatory work to include the chemical and petrochemical industries. Consequently, the Company anticipates increasingly stringent regulatory requirements related to carbon emissions. Furthermore, amid the broader societal shift toward a green, low-carbon economy, market participants are placing greater emphasis on corporate environmental and climate strategies, driving rising demand for low-carbon and clean products. This trend places heightened demands on

the Company's product portfolio and technology development capabilities. To address these risks, the Company will closely monitor policy developments, enhance carbon management practices, advance energy conservation and emissions reduction across production and operations, proactively engage in clean energy deployment and the carbon trading market, and make thorough preparations for the sector's upcoming inclusion in the national carbon emissions trading scheme. The Company will also continue to optimize R&D resource allocation and product portfolio, enhance communication with stakeholders, and actively respond to market expectations.

The Company updates the climate-related scenario analysis every five years in principle, aligned with the strategic planning horizon. Should significant changes occur—such as business model transformation, major acquisitions, material divergence between prior assessments and actual conditions, or invalidation of previous assumptions—the Company will initiate ad hoc analyses as needed to continuously monitor our climate resilience.

The major climate-related risks and opportunities identified by the Company and our response strategies are set out in the following table.

### Major climate-related risks, response strategies, and financial impacts

Type of risk and description		Time frame of impact	Risk exposure under different scenario assumptions						Response strategy	Financial impact <sup>5</sup>
			High emission scenarios			Low emission scenarios				
			2030	2050	2060	2030	2050	2060		
Transition risks	Policy risk	Long term	Low	Low	Medium	Medium	High	High	<ul style="list-style-type: none"> <li>Continuously pay attention to the update of policies and regulations to ensure that the Company's operation is in line with the latest requirements.</li> <li>Enhance carbon emissions data accounting and strengthen carbon asset management capabilities.</li> <li>Vigorously advance energy-saving and consumption-reduction technology retrofits and project implementation, accelerate the deployment of clean energy, and control carbon emissions.</li> <li>Plan for our business in the carbon trading market in advance to ensure our compliance during contract performance.</li> <li>Explore key low-carbon and negative carbon emission technologies to further unlock emissions reduction potential.</li> </ul> <p>In 2025, including expenditures on the purchase of green electricity and green electricity certificates (GECs), the Company's operating cost was RMB 270,923.59 million. For details, please see Section VIII, Part 7 "Consolidated Financial Statement Items" – Note 40. Operating Income and Operating Costs in the Company's <i>2025 Annual Report</i>.</p> <p>As the chemical and petrochemical sectors are incorporated into the national carbon market, continued reductions in carbon allowances and rising carbon prices could lead to steadily increasing costs for carbon allowance procurement. At the same time, the Company may need to increase investments in low-carbon technologies and equipment upgrades to meet emissions compliance requirements, resulting in additional capital expenditures. Furthermore, the government may introduce stricter environmental restrictions or prohibitions, potentially triggering asset impairments or disposal-related costs.</p>	

5. The Company has assessed that the statistical standards and methodologies for the financial impacts of sustainability-related risks and opportunities are still in the early stages of development and subject to significant uncertainty. Moreover, the relevant financial impacts cannot be separated from existing financial statement line items. Therefore, at this stage, the Company primarily adopts a qualitative disclosure strategy.

Type of risk and description	Time frame of impact	Risk exposure under different scenario assumptions						Response strategy	Financial impact <sup>4</sup>
		High emission scenarios			Low emission scenarios				
		2030	2050	2060	2030	2050	2060		
<p>Technical risk</p> <p>The R&amp;D and commercialization of low-carbon and clean technologies are subject to risks such as regulatory constraints and technological limitations, which may increase the Company's R&amp;D costs.</p>	Long term	Low	Medium	Medium	Medium	High	High	<ul style="list-style-type: none"> <li>Collaborate with external partners to jointly advance R&amp;D in low-carbon and clean technologies and optimize the allocation of R&amp;D resources to control R&amp;D costs.</li> </ul>	<p>In 2025, including clean technology, the Company's R&amp;D expenditure was RMB 4,989.25 million. For details, please refer to Section VIII, Part 7 "Consolidated Financial Statement Items" – Note 44. Research and Development Expenses in the Company's <i>2025 Annual Report</i>.</p> <p>Climate-related technology R&amp;D is characterized by high investment, long development cycles, and significant uncertainty. Future technological advancements could render existing assets stranded or impaired, while unsuccessful R&amp;D efforts may result in the expensing of R&amp;D costs incurred. Additionally, project delays may lead to cost overruns and compliance risks, which may give rise to increased operating costs, heightened financing challenges, and potential opportunity costs.</p>
<p>Transition risks</p> <p>Market attention to corporate environmental reputation and product sustainability is ever-increasing. Failure to meet market demand for low-carbon, sustainable products or services may result in diminished competitiveness. In addition, the Company's failure to meet the expectations of capital market and other major stakeholders in terms of response to climate change may pose negative impact on our brand and reputation.</p>	Long term	Low	Medium	High	Medium	High	High	<ul style="list-style-type: none"> <li>Optimize the business portfolio of high-end new chemical materials and new energy, promote industrial upgrading, and vigorously expand presence in high value-added products such as photovoltaic materials, engineering plastics, and degradable plastics to meet the market demands for clean energy products and services.</li> <li>Strengthen communication with stakeholders.</li> </ul>	<p>In 2025, including low-carbon product projects such as EVA, the current-year increases in construction in progress for high-end new materials projects and the Jintang New Materials Project were RMB 5,147.67 million and RMB 8,380.84 million respectively. For details, please see Section VIII, Part 7 "Consolidated Financial Statement Items" – Note 12. Construction in Progress – (2) Changes in Major Construction in Progress Projects During the Period" in the Company's <i>2025 Annual Report</i>.</p> <p>The ongoing low-carbon transition in markets may lead to declining revenues and loss of market share for products with higher carbon footprints, while intensifying low-carbon competition could exert downward pricing pressure, adversely affecting revenue. In addition, future carbon-related trade policies may increase the cost of selling the Company's products in certain markets.</p>
<p>Physical risks</p> <p>Acute risk</p> <p>Extreme weather event risk</p> <p>Extreme weather events such as floods and typhoons may damage plants, production lines, critical infrastructure, and inventory. Such damage can disrupt operations and lead to significant adverse impacts, including direct economic losses, facility repair costs, and expenses associated with business recovery.</p>	Short term	Low	Low	Low	Low	Low	Low	<ul style="list-style-type: none"> <li>Formulate policies such as the <i>Management Policy on Prevention of Flood, Typhoon and Drought and the Emergency Response Plan for Prevention of Flood, Typhoon and Drought</i>, carry out comprehensive risk surveys for extreme weather such as floods and typhoons, formulate emergency response plans, and organize regular emergency drills to enhance the risk response capability of employees.</li> <li>Optimize the layout of facilities, enhance flood and typhoon prevention designs, and reinforce critical equipment to reduce the impact of extreme weather on factories and production lines.</li> <li>Develop distributed energy storage system and use uninterruptible power supply (UPS), emergency power supply, and backup diesel generators to ensure continuous power supply for critical facilities.</li> <li>Entrust insurance company to conduct insurance due diligence, issue risk survey report and purchase necessary commercial insurance.</li> </ul>	<p>In 2025, no extreme weather events were deemed to have a material financial impact on the Company.</p> <p>If the frequency of extreme weather events increases in the future, direct damage to fixed assets and inventories could result in higher capital expenditures for repairs and replacements, as well as greater inventory write-off losses. Production disruptions caused by damage to facilities may adversely affect operating income. In the aftermath of such events, the Company could also face long-term asset impairments, employee relocation or compensation costs, and potential legal liabilities. Furthermore, more frequent disasters may lead to significantly higher insurance premiums and increased deductibles, adding to the Company's long-term operational burden.</p>

Type of risk and description	Time frame of impact	Risk exposure under different scenario assumptions						Response strategy	Financial impact <sup>4</sup>
		High emission scenarios			Low emission scenarios				
		2030	2050	2060	2030	2050	2060		
<p>Physical risks</p> <p>Acute risk</p> <p>Risk of supply chain and sales disruption</p> <p>Extreme weather events may damage transportation infrastructure, disrupt logistics and freight operations, and thereby adversely affect the supply of raw materials and the distribution of products. As the Company primarily relies on maritime transport for logistics, typhoon-related disruptions may impede the inbound supply of upstream raw materials and hinder outbound product shipments, thereby affecting normal production and operations.</p>	Short term	Low	Medium	Medium	Low	Low	Low	<ul style="list-style-type: none"> <li>Strengthen long-term cooperation with suppliers, establish a diversified supplier system and reduce dependence on a single supplier.</li> <li>Apply digital technology to enhance supply chain visualization, and monitor logistics and inventory status in real time to cope with the impact of extreme weather events and other emergencies on logistics and raw material supply.</li> <li>Develop inventory management mechanism and establish backup stock to ensure that production can be maintained in the event of supply chain disruptions.</li> </ul> <p>In 2025, no supply chain or sales disruptions were deemed to have a material financial impact on the Company.</p> <p>If the frequency of extreme weather events increases in the future, disrupting logistics across the Company's upstream and downstream supply chains, it could lead to a decline in operating income, while ongoing fixed costs would further pressure net profit. Supply chain disruptions may also drive up procurement and alternative logistics expenses, further eroding profit margins.</p>	
		Chronic risk	Long term	Low	Low	Low	Low		Low

Major climate-related opportunities, response strategies, and financial impacts

Type of opportunity and description	Time frame of impact	Opportunity exposure under different scenario assumptions						Response strategy	Financial impact
		High emission scenarios			Low emission scenarios				
		2030	2050	2060	2030	2050	2060		
Resource efficiency Adopting more efficient equipment and low-carbon, environmentally friendly green technologies may enhance resource efficiency and reduce operating costs.	Long term	Low	Low	Medium	Medium	High	High	<ul style="list-style-type: none"> <li>Continuously refine the production process to enhance the efficiency of resource utilization.</li> <li>Increase R&amp;D investments, and establish partnerships with other enterprises and research institutes to jointly carry out climate change-related technology R&amp;D, project promotion, etc. Develop new low-carbon and energy-saving products that meet environmental protection requirements, so as to improve the competitiveness of products, e.g. the release of rare-earth rubber products.</li> </ul>	<p>In 2025, including photovoltaic EVA products, the Company's operating income was RMB 308,622.32 million. For details, please see Section VIII, Part 7 "Consolidated Financial Statement Items" – Note 40. Operating Income and Operating Costs in the Company's <i>2025 Annual Report</i>.</p> <p>To enhance resource efficiency, the Company may continue to invest in equipment and technology upgrades, which entails upfront capital expenditure but significantly reduces consumption of energy, water, and raw materials, thereby lowering operating costs. Such initiatives typically feature short payback periods. Moreover, improved energy efficiency helps reduce carbon emissions, mitigating exposure to carbon taxes, carbon trading costs, and potential compliance-related penalties. Additionally, enhancing resource efficiency to lower operating costs may strengthen the pricing power and overall competitiveness. The Company's increased R&amp;D and investment in green, low-carbon products and technologies may create new revenue streams, generate a green premium, or enhance market share.</p>
Market Increasing R&D efforts in low-carbon and environmentally friendly technologies and launching green, low-carbon products may enable the Company to gain a competitive edge in the market.	Long term	Low	Low	Medium	Medium	High	High	<ul style="list-style-type: none"> <li>Seize market opportunities by making strategic investments in green industries and low-carbon technologies with potential, such as investing in the construction of solar power stations and electric vehicle charging facilities.</li> </ul>	
Energy source With the growing demand for clean energy, investing in and developing new energy projects (e.g. solar energy and wind energy) may reduce the Company's environmental compliance costs and enhance corporate reputation.	Long term	Low	Medium	High	Medium	High	High	<ul style="list-style-type: none"> <li>Actively expand our presence in the new energy field, increase investment in the R&amp;D of clean energy technologies, and explore the development and application of renewable energy sources such as solar energy and wind energy.</li> </ul>	<p>In 2025, including photovoltaic construction projects, the Company's current-year increase in construction in progress for utilities and supporting facilities was RMB 17,204.37 million. For details, please see Section VIII, Part 7 "Consolidated Financial Statement Items" – Note 12. Construction in Progress – (2) Changes in Major Construction in Progress Projects During the Period in the Company's <i>2025 Annual Report</i>.</p> <p>In the short term, the Company's clean energy projects require significant capital expenditures and may lead to stranding and impairment of existing fossil fuel-related assets. Over the long term, clean energy entails virtually zero fuel costs, which could reduce the Company's operating costs. Furthermore, large-scale adoption of clean energy can lower carbon emissions from the Company's production and operations, thereby reducing compliance costs.</p>
Incentive policies Aligned with government policies that incentivize green innovation, the Company may qualify for supportive measures, such as subsidies, tax incentives, and preferential financing, by adopting environmentally sound and efficient operational practices and developing energy-saving, low-carbon projects, thereby reducing operating costs and enhancing profitability.	Long term	Low	Medium	Medium	Medium	High	High	<ul style="list-style-type: none"> <li>Optimize operational practices toward greater environmental sustainability and efficiency, explore opportunities to align energy-saving and low-carbon projects with supportive policies, and actively pursue government subsidies, tax incentives, and other low-carbon policy benefits.</li> </ul>	<p>In 2025, including policy subsidies related to energy-saving and low-carbon projects, the current-year amount of the Company's other income was RMB 1,256.73 million. For details, please see Section VIII, Part 7 "Consolidated Financial Statement Items" – Note 46. Other Income in the Company's <i>2025 Annual Report</i>.</p> <p>The Company will continue to advance energy-saving and low-carbon projects, aiming to secure greater government policy support and thereby reduce operating costs. Meanwhile, as green and low-carbon transformation advances across society, financial institutions may introduce more favorable policies for environmentally sustainable initiatives, which could further lower the Company's financing costs.</p>

In response to climate-related risks and opportunities, the Company has developed short-, medium-, and long-term transition and response plans, and will continue to refine the strategic positioning, business direction, and resource allocation in light of evolving regulatory requirements and industry trends. For details on the progress of the Company's related plans, please refer to the "Metrics and Targets" subsection of this section, as well as sections "Reducing Resource Consumption" and "Seizing Clean Technology Opportunities" of this chapter.

<b>In the short term</b>	The Company is focused on improving energy efficiency and optimizing production processes, advancing energy-saving technology retrofits and equipment upgrades to reduce operating costs and lower carbon footprint. Relevant energy-efficiency projects are being implemented according to annual plans.
<b>In the medium term</b>	The Company will expand renewable energy initiatives, increase investment in clean energy, and drive technological innovation to progressively optimize the energy mix and reduce reliance on fossil fuels.
<b>Over the long term</b>	The Company will concentrate on transitioning toward a low-carbon economy and expanding into low-carbon and clean technology business areas. We will define our transition pathway by integrating the national "carbon peaking and carbon neutrality" goals, industry decarbonization trajectories, and energy structure transformation trends, while strategically aligning capital expenditures and R&D resource allocation with flexible adaptations to the long-term challenges posed by climate change.

Some of the foregoing are forward-looking statements and do not represent guarantees or predictions of future performance. When developing these plans, the Company has considered a variety of uncertainties, including but not limited to economic conditions, laws and regulations, market dynamics, geopolitics, and climate patterns. These factors may be affected by limitations in data sources and assessment methods, as well as other unforeseen uncertainties and subjective judgments. Upon assessment, the Company has not identified any sustainability-related risks and opportunities that would have a material impact on its financial position, operating results, or cash flows in the following year.

## Impact, Risk and Opportunity Management

Rongsheng Petrochemical has integrated climate-related risks into the comprehensive risk management system. Following a structured management process, including identification and assessment of sustainability impacts, risks, and opportunities, prioritization, response planning, and ongoing monitoring, the Company has developed a list of climate change risks. Based on the list, the Company formulates targeted response strategies and management plans and continues to monitor and evaluate the effectiveness of climate risk management efforts.

The Company has set up a cross-functional team consisting of environmental experts, risk analysts, financial staff, and business unit representatives, to draw on knowledge and experience from various disciplines to comprehensively identify climate change-related impacts, risks and opportunities through an integrated qualitative and quantitative approach.

### Qualitative Assessment - Creating Risk Matrix

The Company's cross-functional team collects and collates climate-related data such as energy consumption and GHG emissions, and communicates with suppliers, customers, investors, communities and other stakeholders, to identify potential climate-related risks and opportunities from different perspectives. Based on the likelihood of occurrence and the magnitude of impact of risks and opportunities, the Company creates a risk and opportunity matrix. The identified risks and opportunities will be qualitatively categorized after the cross-functional team determines the risk coefficients through discussion. The Company assesses the probability of impacts, risks and opportunities occurring within a certain period based on historical data, climate model projections, industry experience, etc. On this basis, the Company assesses the likelihood of occurrence of climate-related risks and opportunities. Besides, the Company measures the impacts of climate-related risks and opportunities from various aspects, such as finance, operation and reputation.

### Quantitative Assessment - Model Data Simulation

We use statistical model, financial model and other models to conduct data simulations and stress tests with historical data and assumptions, and conduct quantitative analysis on climate change-related impacts, to assess the Company's financial position and operational performance under different climate scenarios. Examples include modeling the relationship between energy consumption and carbon emission to predict changes in a Company's carbon costs under different climate policies; modeling production disruption losses to assess economic losses due to extreme weather; and assessing the extent to which the Company's profits are affected by rising water costs in the event of successive droughts.

## Metrics and Targets

To monitor the Company's progress of climate change response actions, in 2025, the Company established GHG emissions management target with 2030 as the target year. These targets are primarily aimed at mitigating climate change and supporting the national "carbon peaking and carbon neutrality" goals. They are centered on intensity-based controls while also addressing absolute emissions reductions and structural optimization.

### GHG emissions management target

Taking 2025 as the base year, the Company aims to reduce GHG emissions (Scope 1 and Scope 2) per tonne of production by 3% by 2030, covering all main production and operation units.

This year, we reviewed progress towards previously established targets with 2022 as the base year, specifically including:

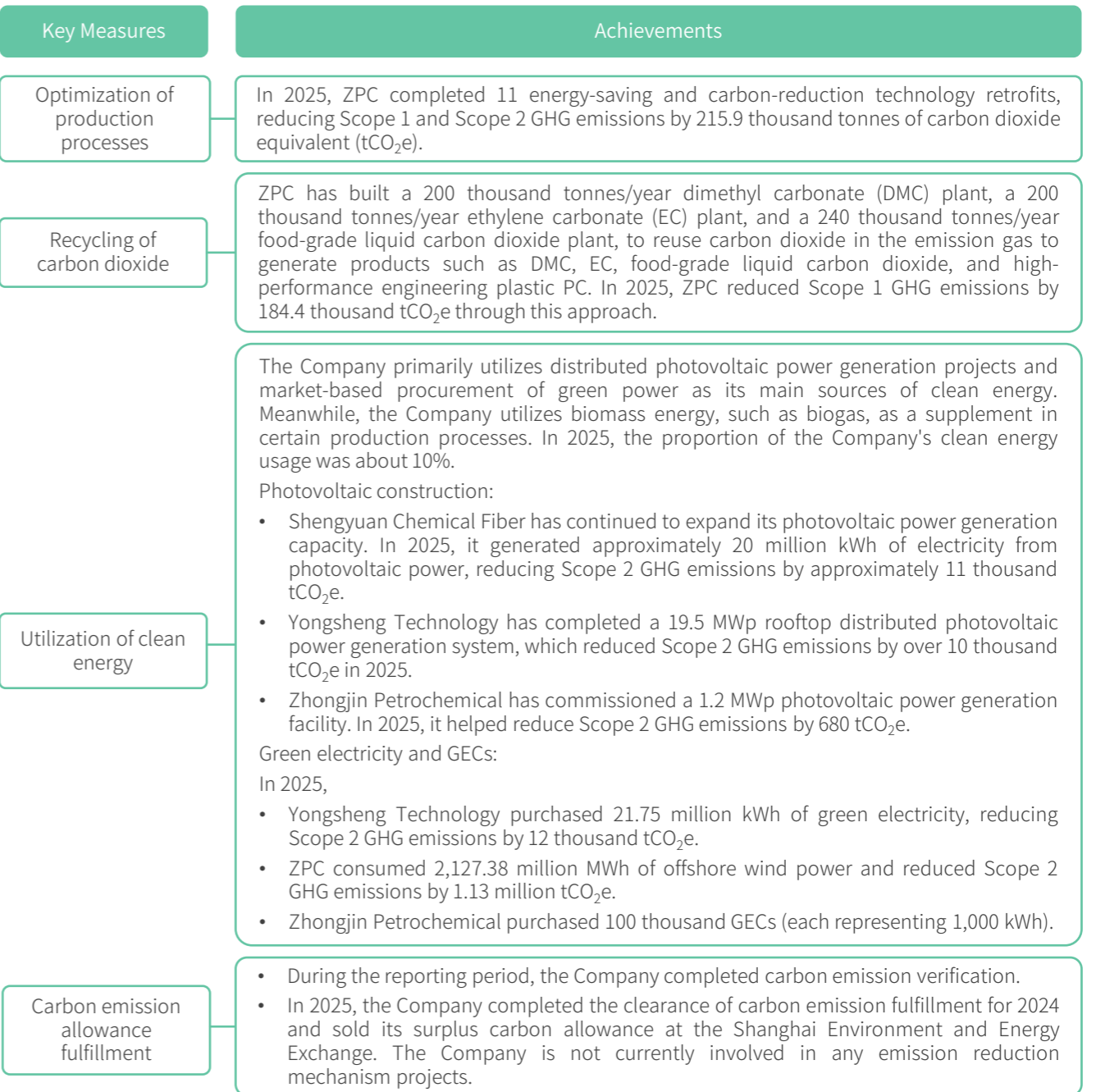
Type of goal	GHG management goals	Progress
Carbon dioxide emission reduction	By 2025, reduce at least 3 million tonnes of carbon dioxide emission through energy-saving programs.	The target has been achieved. As of the end of the reporting period, the Company has reduced over 3.4 million tonnes of carbon dioxide emissions through energy-saving programs.
Carbon emission intensity reduction	By 2025, reduce the Company's carbon emission intensity per unit value of output by 5%.	The target has been achieved, and we have established a new GHG emissions management target.
Carbon dioxide recycling and reuse	By 2025, recycle and reuse an additional 500 thousand tonnes of carbon dioxide. From 2026 to 2030, recycle and reuse an additional 3.65 million tonnes of carbon dioxide.	This target has been practically achieved. Due to some projects coming on stream later than expected, the amount of cumulative additional carbon dioxide recycled and reused reached 430 thousand tonnes as of the end of the reporting period.
Green electricity trading scale	By 2028, complete the transaction of an additional 1,615 million kWh of green electricity.	This target has been achieved ahead of schedule. As of the end of the reporting period, the cumulative additional green power trading volume reached 2,247 million kWh.
Green electricity coverage	By 2025, achieve full coverage of new energy at the Company's main production and operation units.	This target has been practically achieved. Although the construction of some photovoltaic projects were behind schedule, new energy has covered the majority of main production and operation units as of the end of the reporting period.

The Company sets and implements emissions management targets by taking into account the current business structure, production and operational realities, future development plans, national GHG accounting standards, the evolving landscape of green and low-carbon policies, ongoing developments in international climate agreements such as *the Paris Agreement* and industry-specific pathways for energy efficiency improvement. The Company has established an annual review mechanism, under which the Strategy and Sustainability Committee oversees the setting of GHG emissions management targets and reviews progress toward their achievement. The committee regularly reports to the Board of Directors for oversight and keeps the feasibility of engaging independent third-party institutions for external verification of target setting and progress reporting under ongoing review.

Furthermore, the Company has implemented a robust emissions data accounting and management system to closely monitor the carbon emissions performance. Each subsidiary develops GHG accounting plan accordingly and forms an internal reporting mechanism. The emission data is reported to the superior government authority after being reviewed internally, marking the completion of annual GHG emissions reporting and related statistics and accounting process. In addition, the Company cooperates with third-party institutions engaged by ecological and environmental authorities to conduct on-site verifications. Following review and approval by municipal and provincial ecological and environmental authorities, the external emissions accounting process is considered finalized.

### ◆ Carbon Reduction Measures

To accelerate the achievement of carbon reduction related targets, the Company actively participates in the carbon market, invests in clean energy, implements the strategic action path of carbon reduction, and continues to carry out carbon reduction measures.



**Case: Product carbon footprint assessment at ZPC**

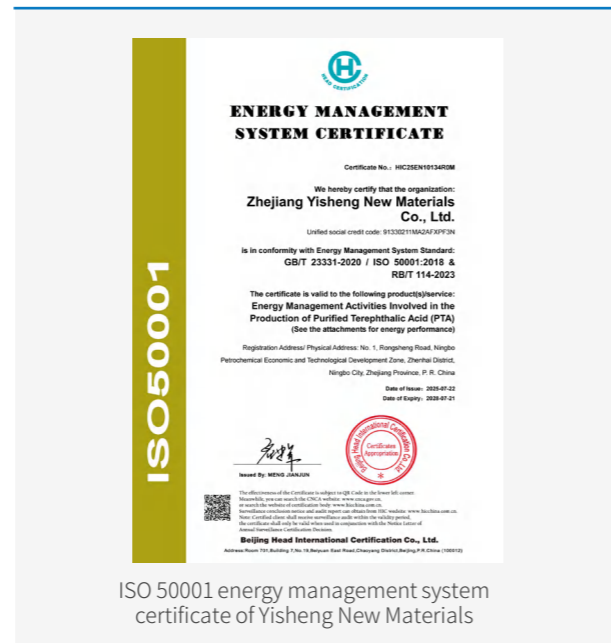
In 2025, ZPC engaged an external, specialized third-party institution to carry out a "cradle-to-gate" carbon footprint assessment of its butadiene rubber product in accordance with ISO 14067. The results showed that approximately 55% of the product's carbon footprint stems from raw material production and acquisition, while the remaining 45% is attributable to the manufacturing phase. This product carbon footprint assessment has enabled ZPC to gain deeper insight into the climate-related impacts of its products, providing a critical foundation for identifying key emission reduction priorities, advancing low-carbon product R&D, and formulating targeted carbon management strategies.

## Reducing Resource Consumption

The Company actively supports the national low-carbon development strategy and is committed to building a new paradigm of resource-efficient utilization. The Company strictly abides by relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Water Law of the People's Republic of China*. We improve our resource management and production technology, and promote the implementation of and innovation in resource conservation and consumption reduction from aspects such as energy conservation technological transformation and alternative water resources.

## Energy Management

The Company continues to enhance energy management capabilities and has established a robust energy management system and organizational structure in accordance with the ISO 50001 Energy Management System standard. The Company has formulated policies such as the *Energy Management Procedures*, the *Energy Conservation Management Measures*, the *Special High-Energy Consumption Equipment Management Measures* and the *Interim Measures for Assessment of the Reward and Punishment on Energy Conservation Target*. These documents clarify energy management responsibilities and performance evaluation criteria across all organizational levels, as well as specify requirements for the management and monitoring of equipment energy use. The subsidiaries of the Company have established an energy management team with the head of each subsidiary as the leader and the Technology Department as the leading department. Each department shall execute coordinated control according to its specialties and responsibilities, and perform relevant work in accordance with the requirements of the energy management system. By the end of reporting period, 57% of the Company's operating subsidiaries obtained the ISO 50001 certification.



The Company has established a routine energy consumption tracking and management mechanism. The energy management group calculates and analyzes the energy consumption of each production unit regularly. The group carries out comprehensive inspection of energy conservation and energy review across the factory, and produces energy balance sheets and energy metering network diagrams. Based on these analyses, the group monitors abnormal and excessive energy consumption, oversees the identification, rectification, and prevention of abnormal or high energy consumption in equipment, and guides the technological innovation and rationalized retrofitting of outdated processes and equipment. At the beginning of each year, the Company's subsidiary sets management targets for electricity, steam, coal and other types of energy, as well as major improvement measures and plans. Meanwhile, the effectiveness of energy conservation and consumption reduction is included in the performance appraisals of the related departments and employees. Each subsidiary follows up the target completion progress on a monthly basis and analyzes and rectifies unmet goals, so as to ensure successful attainment of the Company's energy management objectives.

The subsidiaries set up their energy conservation targets tailored to their specific operational context as follows:

Name of the subsidiary	Energy conservation targets	Target progress and updates
Zhongjin Petrochemical	Zhongjin Petrochemical takes various energy conservation technology improvement measures to save 7,000 tonnes of standard coal by 2025.	The target has been achieved. In 2026, Zhongjin Petrochemical plans to take various energy conservation technology improvement measures to save 8,000 tonnes of standard coal.

The major types of energy consumed during the Company's production processes are electricity, steam, oil, gasoline, diesel, coal, natural gas and biogas. Through measures such as optimizing energy structure, implementing energy-saving technological upgrades, and strengthening energy consumption management, the Company is committed to reducing the environmental impact of our energy use and accelerating our transition toward a green, low-carbon operational model.

### Energy management measures

<b>Energy Structure Adjustment</b>	<ul style="list-style-type: none"> <li>Expand photovoltaic power generation projects and actively procure green electricity such as wind power to reduce reliance on traditional fossil fuels like coal.</li> <li>Introduce electric construction vehicles to replace conventional fuel-powered vehicles, thereby optimizing the energy structure in logistics operations.</li> </ul>
<b>Energy-conservation Technological Transformation</b>	<ul style="list-style-type: none"> <li>Apply energy-saving measures including optimization of process operating parameters, retrofitting of production units, and waste heat recovery.</li> <li>Maintain ongoing monitor on advancements in energy efficiency technologies and promptly replace outdated, high-energy-consuming equipment.</li> </ul>
<b>Enhancement of Energy Consumption Management</b>	<ul style="list-style-type: none"> <li>Optimize the construction of the energy module of the Manufacturing Execution System (MES) to realize the information management of energy data.</li> <li>Conduct regular energy management training to raise employees' awareness of energy conservation.</li> </ul>

### Case: Various energy-saving projects implemented at ZPC

- ZPC implemented an automatic control system for flare pilot lights, enabling dynamic on/off operation while ensuring complete combustion of process off-gases. Under safe operating conditions, the pilot lights can be turned off, reducing fuel gas consumption and saving approximately 27,700 tonnes of standard coal annually.
- In collaboration with an external specialized third-party institution, ZPC developed a plant-wide steam optimization system to diagnose the existing steam network and propose improvement measures. The system is scheduled for commissioning in the first half of 2026 and is expected to generate annual economic benefits of approximately RMB 30 million.

### Case: Various energy-saving projects implemented at Yisheng Dahua

- Yisheng Dahua has carried out a series of energy-saving retrofits to reduce energy consumption across its production processes:
- By shortening the process flow in the refining unit, the facility reduces annual electricity consumption by 32.8 million kWh and steam usage by 400 thousand tonnes.
  - High-temperature, high-pressure condensate from the refining unit is recovered and reused in thermal medium furnaces, achieving annual energy savings of approximately 25,600 tonnes of standard coal.
  - Leveraging domestically developed technology benchmarking world-class standards, Yisheng Dahua is upgrading its PTA production unit to enhance energy efficiency and reduce emissions. Construction is expected to be completed by the end of 2026, with projected annual energy savings of approximately 38 thousand tonnes of standard coal.

Case: Process waste heat recovery for power generation at Shengyuan Chemical Fiber

In 2025, Shengyuan Chemical Fiber commissioned a high-pressure condensate waste heat power generation unit that captures high-temperature, high-pressure condensate generated during production, flashes it into low-pressure steam, and uses it to drive a steam turbine for electricity generation. This system fully utilizes process waste heat, delivering an hourly energy-saving benefit of 2,500 kWh and generating annual economic benefits of approximately RMB 13.8 million.

In 2025,

China Petroleum and Chemical Industry Federation (CPCIF) released the 2024 "Top Runner" Benchmarking Enterprise List for High Energy-consuming Products in the Petroleum and Chemical Industry, and ZPC's ethylene and para-xylene units ranked **1st** on the energy efficiency "Top Runner" list.

## Water Management

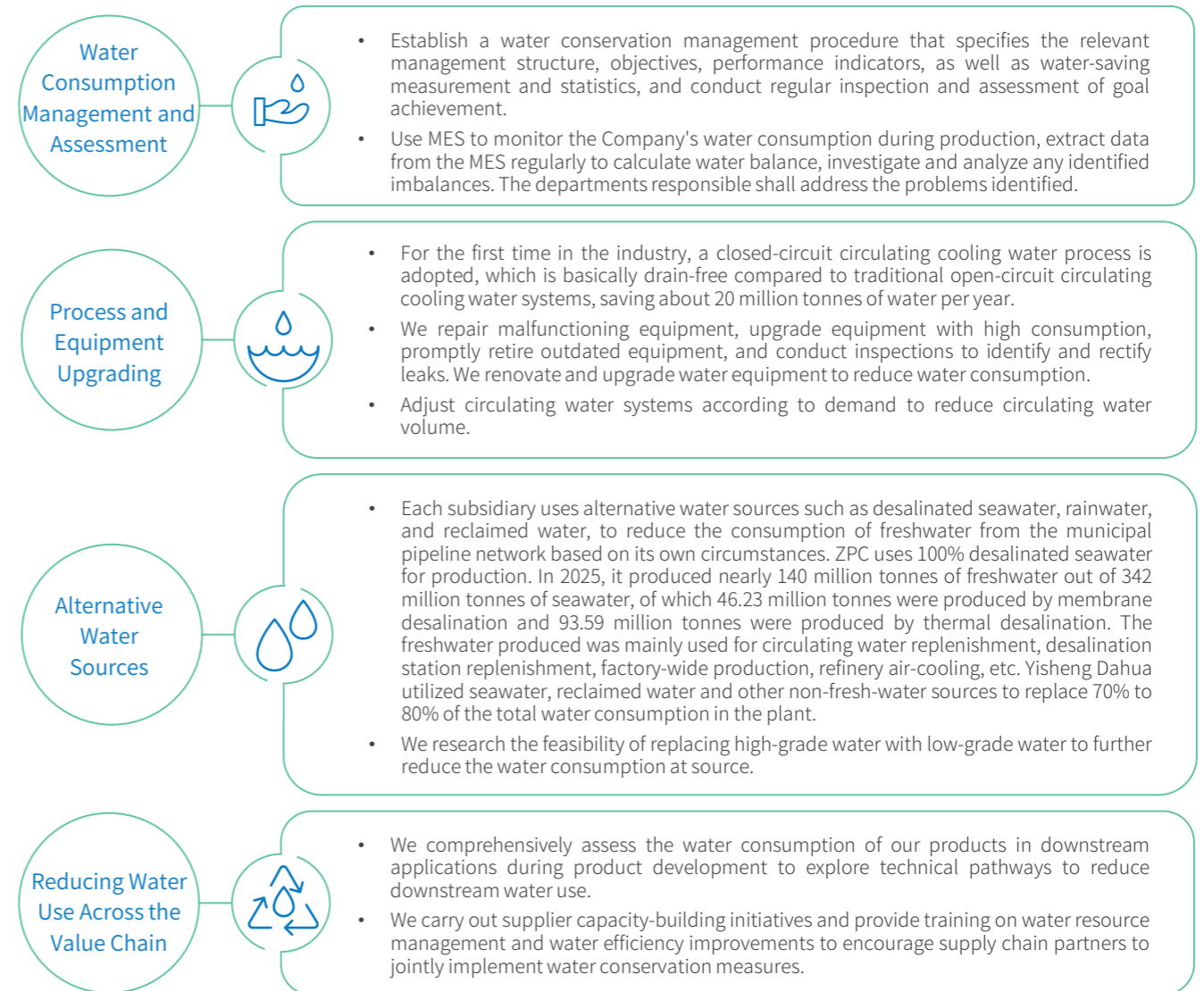
The Company takes active measures for water conservation in production and operation to improve water consumption efficiency. All subsidiaries have established strict water resource management systems and goals. The relevant operating departments conduct refined monitoring and statistics on water consumption data, and report to the Board of Directors. We are committed to reducing water waste and increasing the rate of water reutilization by using water-saving equipment, water reutilization technologies and effective control over key water consumption points. We also pay attention to the water stress in all of the locations of our operation and have conducted water stress risk assessment and monitoring. For more details, please visit [Rongsheng Petrochemical Conducted Water Pressure Risk Assessment for All Operations](#).

Our water sources for production vary based on the project location and are mainly from the municipal pipeline network, seawater desalination, and rainwater collection. During project environmental impact assessment, we examine the water supply risk at the project location and effectively reduce water risks by adopting methods such as establishing corresponding emergency mechanisms and installing backup water tanks. During the operation stage, we continue to implement the water conservation measure of "water saving at the front and water reuse at the end", and form a water-resources-saving management system with daily monitoring, weekly inspection and monthly summary. Through these efforts, we aim to achieve comprehensive and in-depth water stewardship. The Company's water resource management and water conservation initiatives cover all production and operational sites as well as major water-use processes, with particular focus on facilities located in high-water-stress regions and high-water-consumption equipment and infrastructure. In addition, we extend our water stewardship efforts to include suppliers, encouraging and guiding them to adopt more water-efficient processes and technologies to reduce the overall water footprint of our products. The Company's water management focuses on water consumption management and assessment, process and equipment upgrade, and alternative water sources, while also paying attention to water usage reduction across the value chain.

During the year,

the alternative water sources accounted for **74%** of total water consumption

## Water management measures



The Company, in alignment with national water conservation policies, water management standards, and the broader trend toward green and low-carbon development, has integrated current business structure, production and operational realities, and future strategic plans—alongside industry-specific water-saving technology roadmaps—to holistically formulate and implement water conservation management targets. These efforts aim to ensure that water-saving objectives effectively cover all the Company's water use. General managers of each subsidiary are accountable for setting water conservation targets and tracking progress toward their achievement, and they regularly report achievements to the Board of Directors for oversight. The subsidiaries set up water-saving targets tailored to their specific operational context. In 2024, Rongxiang Chemical Fiber set a target that by 2025, it will consume no more than 1.5 tonnes of water per tonne of polyester product. As water consumption during production in the summer of 2025 exceeded expectations, the actual water usage per tonne of polyester product stood at 1.87 tonnes.

The Company has also established water-saving target that applies across all production and operational sites:

### Target

Taking 2025 as the base year, the Company aims to reduce freshwater intake per tonne of production by 3% by 2030, covering all main production and operation units.

#### Case: Broad implementation of water resource management initiatives

Subsidiaries across the Company have actively explored diverse water stewardship approaches and implemented a range of water-saving measures:

- ZPC constructed a rainwater harvesting system and recycled 4.77 million cubic meters of rainwater in 2025.
- Yisheng New Materials treats its wastewater for reuse as makeup water in circulating water systems, reducing freshwater consumption. In 2025, it reused 3,115 thousand cubic meters of reclaimed water.
- Yongsheng Technology expanded the application of reclaimed water through pipeline retrofits, reducing municipal water use by 5,000 tonnes per month.
- Yisheng Dahua built a mountain-surface runoff reuse system that collects surface runoff from elevated terrain. The water is then treated and used as raw water. The system can produce 40 cubic meters of raw water per hour, lowering reliance on municipal water supply.

## Green Office

The Company advocates the green and low-carbon philosophy in daily work and life, and promotes green office plan in the workplace for our employees. The Company continues to raise the awareness of our employees and suppliers regarding environmental protection and organizes various special training courses to actively promote knowledge on this topic. We encourage every employee to conserve resources and minimize waste. We integrate paperless working in our daily work to reduce carbon footprint.

#### Measures to build green workplaces

Applying digital means to optimize the offline approval process for logistics, vehicle entry and exit, etc., and reduce the communication based on the use of paper documents.

Optimizing energy consumption in workplace, such as reducing the countdown before computer monitors entering sleep mode, regulating air-conditioning and lighting settings in office areas, etc.

Leveraging the Enterprise Resource Planning (ERP) system to enable paperless operations and encouraging the use of cloud storage and cloud-based conferencing solutions.

Promoting green travel by arranging shuttle buses for employees to commute, thereby reducing the use of personal transportation.

Encouraging waste sorting to make the best use of it and reduce unnecessary waste.

## Controlling Pollutant Discharge

The Company reinforces the standardized management of wastewater, exhaust gas, and solid waste, and pays special attention to the prevention and control of toxic and hazardous substances. We strictly abide by the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and other related laws and regulations. We prioritize air pollution control, water pollution control, and solid waste management in our environmental protection work. We implement the control requirements of the EIA pollutant discharge targets in accordance with the *Emission Permit*, strictly monitor the discharge volume and control the total amount of pollutants. We perform environmental monitoring and emergency monitoring and management at key locations such as pollution sources, discharge outlets and plant boundaries, evaluate the effectiveness of environmental control and status of pollutant discharge, and closely monitor the impact of various types of emission on the environment. The pollutant discharge of subsidiaries listed as key pollutant dischargers by the environmental protection department is detailed in the *2025 Annual Report*.

During the reporting period, there were no instances of excessive emissions by the Company. The Company did not incur any material administrative penalties or criminal liabilities related to pollutant emissions. The Company's emissions did not have a significant impact on employees, local communities, or other affected groups, and our environmental monitoring plan and risk management measures were free of material deficiencies.

## Air Pollution Control

The Company strictly manages the impact of production plants on the atmosphere and practices "ultra-low emissions". Each subsidiary has formulated management policies including the *Management Regulations for Exhaust Gas Pollution Prevention and Control* and the *Measures for Management of Exhaust Gas and Noise*, which define the responsible departments and their responsibilities, and set requirements for the prevention and control of exhaust gas pollution from aspects such as pollution prevention and emission management. Through various engineering management and technical means, we have strengthened the control of key production processes and installed an online monitoring system for real-time oversight. As a result, the indicators of major pollutants such as VOCs, sulfides, and nitrogen oxides have been continuously improved.

The Company has established air pollutant emission reduction target that applies across all production and operational sites:

### Target

Taking 2025 as the base year, the Company aims to reduce nitrogen oxides and sulfur dioxide emissions per tonne of production by 3% by 2030, covering all main production and operation units.

The subsidiaries set up their air pollution reduction targets tailored to their specific operational context. As of the end of the reporting period, all their previous targets have been achieved.

Taking into account the different types of discharge of air pollutants, we have taken corresponding control measures for organized emission, unorganized discharge and abnormal discharge.

### Organized Discharge

- **Equipment management:** strengthen the operation management of environmental protection facilities for pollution sources such as power stations and heating furnaces, and use low-nitrogen burners and clean fuels to ensure that the online monitoring of exhaust gas emissions meets the standards.
- **Sulfide compounds treatment:** adopt methods such as acid stripping tail gas washing, sodium desulfurization and solvent absorption, and install acid gas and acid water gas lifting device and sulfur recovery device to recover acid gas and convert it into sulfur; use deep desulfurization solvent to reduce the H<sub>2</sub>S concentration in the exhaust gas, and install an alkali washing tower before the exhaust gas incinerator to prevent abnormal working conditions; and use desulfurized dry gas in heating furnaces to ensure that the emissions meet the petroleum refining standards.
- **Nitrogen oxides treatment:** adopt advanced denitration technologies such as selective catalytic reduction (SCR) and UOP ultra-low nitrogen burners, and equip the thermal medium furnace with a SNCR denitrification device, to effectively control nitrogen oxide emissions.
- **VOCs treatment:** VOCs generated by the production units are collected in an enclosed chamber and then incinerated and disposed of in the heating furnace, cracking furnace waste gas incinerator, waste water incinerator, RTO, etc. to minimize VOCs emissions; use hydrogen-added gas from low pressure separator as fuel of incinerators to prevent VOCs from being carried in exhaust gas due to incomplete combustion of fuel; boiler flue gas with VOCs will be collected and treated before being discharged through the exhaust pipe.
- **Soot treatment:** adopt wet electric dust removal, cloth bag dust removal, tube beam dust removal and other technologies, and install micron-level dry mist dust suppression and other devices, to effectively reduce soot emissions and ensure air quality.

### Unorganized Discharge

- **Deodorization devices:** install deodorization devices for acidic water storage tanks and sewage storage tanks that are prone to giving off odor; and seal up the air flotation and A/O tanks at the wastewater treatment plant to collect exhaust gas, so as to reduce the impact of odor on surrounding environment.
- **Regular maintenance:** conduct regular Leak Detection and Repair (LDAR) activities on the valves, pipelines, pumps, and other utilities as required, improve daily operation and management level, and prevent leakage.
- **Monitoring and treatment:** establish an information management system to monitor the real-time data of each device online, identify abnormal emissions and leaks in a timely manner, and control gas leakage at the source. Set up atmosphere monitoring superstation and monitor the air quality of the surrounding environment to identify air quality anomaly and act promptly.
- **VOCs:** take effective sealing and collection measures for the major processes that dissipate VOCs and give off odor to ensure that the exhaust gas is discharged up to the standard after treatment. Discharge after dilution is prohibited.

### Abnormal Discharge

- **Ground torch:** burn the waste gas discharged under abnormal working conditions.
- **Acid gas torch:** alkaline wash the abnormally discharged hydrogen sulfide gas before burning it.
- **Mobile monitoring vehicles:** carry out pollution investigation and monitoring, emergency monitoring and dynamic monitoring of abnormal emissions to guarantee the timely detection and effective handling of abnormal situations.

Case: Waste gas management enhanced at Zhongjin Petrochemical

Zhongjin Petrochemical has continuously enhanced its waste gas management and implemented multiple initiatives in 2025:

- Replaced the exhaust fan at the wastewater treatment plant to improve waste gas conveyance capacity and centralized treatment of emissions from the facility;
- Collected tank breathing emissions, pre-treated them through tank farm pretreatment units, and then centrally processed them via catalytic oxidation;
- Sealed tank vent openings, installed full-contact floating roofs, and retrofitted storage tanks with nitrogen sealing systems to minimize volatile emissions from stored materials.

## Water Pollution Control

The Company attaches importance to sewage treatment and strives to minimize the impact of wastewater from its operations on the surrounding environment. Each subsidiary has formulated the *Measures for Sewage Management* that defines the various indicators for wastewater discharge according to national standards. It also clarifies the responsibilities of relevant departments in the management of wastewater pollution prevention, recycling, classification, treatment and discharge.

The wastewater from the Company mainly includes desulfurized wastewater of power station, salt-containing wastewater, sulfur-containing wastewater, ammonia-containing wastewater, oily wastewater, clean drainage, and domestic sewage. Each of our subsidiaries has set up supporting sewage treatment facilities and operates them in line with the principle of "shunting clean water from sewage, shunting rainwater from sewage, shunting different types of sewage from each other, and treating based on their properties" to control wastewater discharge. The special process liquid or wastewater with high pollutant concentration from the production unit is pretreated in the unit to reach the control standard, before being transported to the sewage treatment plant for further treatment. In addition, the Company closely monitors the pH value, Chemical Oxygen Demand (COD), total nitrogen, total phosphorus, and other indicators of the incoming and outgoing water of each stage of wastewater treatment in strict accordance with the relevant state requirements to ensure that the discharge meets the standards.

The Company has established water pollution control target that applies across all production and operational sites:

### Target

Ensure 100% compliance of wastewater discharge at all operating sites, covering all main production and operation units.

The subsidiaries set up their water pollution control targets tailored to their specific operational context. As of the end of the reporting period, all their previous targets have been achieved.

Case: Ammonia recovery project for process wastewater at ZPC

Wastewater containing ammonia generated during ZPC's coal chemical production is difficult to treat using conventional methods and causes severe corrosion to certain facilities. To address this challenge, ZPC developed and commissioned an ammonia recovery unit that combines chemical and physical separation techniques to extract ammonia from wastewater, producing high-purity liquid anhydrous ammonia for use as a feedstock in its acrylonitrile production unit. The implementation of this system has reduced the annual corrosion rate of affected facilities by more than 80%. Additionally, the recovered anhydrous ammonia has lowered raw material procurement costs by approximately RMB 45 million per year, achieving resource recovery and circular utilization of wastewater.

## Waste Management

The Company continuously optimizes the comprehensive management process for solid waste and has established relevant regulations such as the *Administrative Measures for Solid Waste*. The Company has also established a hazardous waste management ledger and environmental management platform. Each of our plants has set up a dedicated waste management department, which is responsible for coordinating the daily management and data collection of all sorts of waste. Meanwhile, each subsidiary, based on its specific business characteristics, has incorporated waste management targets into its annual performance and management evaluation system to ensure effective implementation of waste management measures and to drive source reduction of waste generation.

The Company has established hazardous waste reduction targets that apply across all production and operational sites:

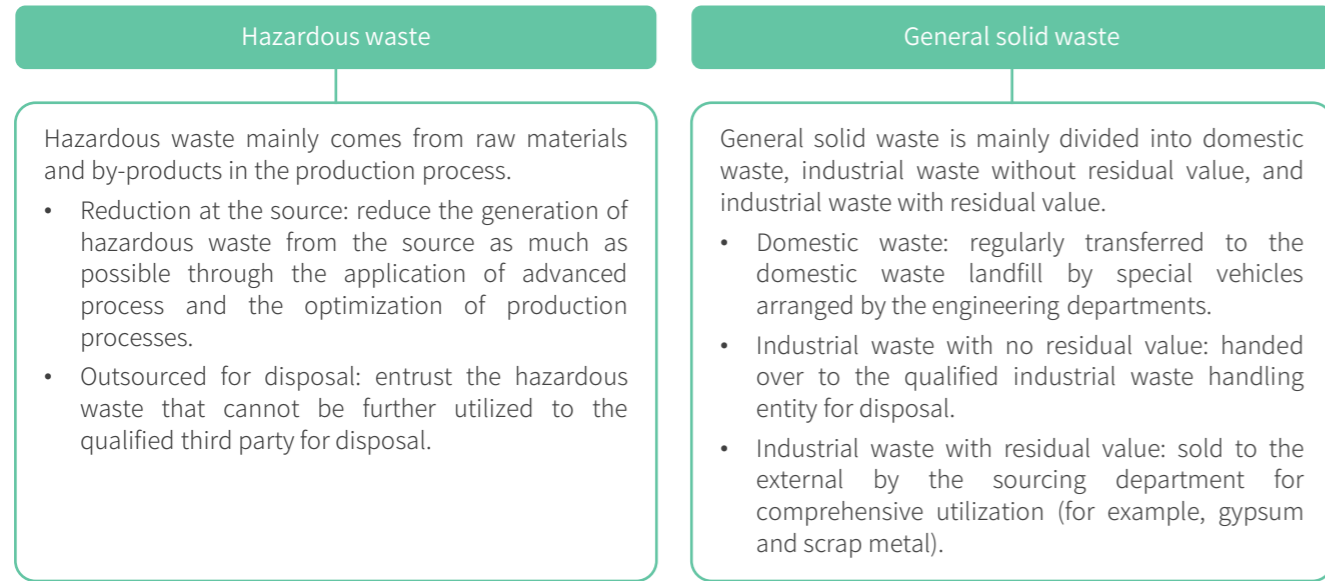
Target	Target progress and updates
Taking 2023 as the base year, the Company's hazardous waste intensity per RMB 100 million of output will decline by 20% by 2030.	As of the end of the reporting period, the Company's hazardous waste intensity per RMB 100 million of output has decreased by approximately 9%, steadily advancing the achievement of the hazardous waste reduction target.

The subsidiaries set up their air pollution reduction targets tailored to their specific operational context. As of the end of the reporting period, all their previous targets have been achieved.



The Company treats waste in strict accordance with the principles of "reduction, utilization, and harmless disposal" to promote circular economy. We prioritize waste recycling and reuse, and non-recyclable waste is classified and disposed of based on its level of hazard. Hazardous waste is treated in accordance with national regulations through closed-loop processes, and we arranged specialized training for employees responsible for managing the storage and transportation of hazardous waste. General solid waste is first sorted, then disposed accordingly.

### Waste management approaches



#### Case: Resource utilization of waste at ZPC

ZPC has constructed an oil residue-to-hydrogen metal recovery unit to treat filter cakes generated during oil residue gasification. The unit recovers high-value heavy metals such as nickel, vanadium, and molybdenum, producing finished heavy metal ash as a marketable product. Additionally, the heat generated during filter cake processing is recovered for steam production, which is fed into the plant's steam network. With a designed capacity of 100 thousand tonnes per year, the facility produced over 2,000 tonnes of finished heavy metal ash in 2025, generating economic benefits of RMB 110 million.



#### Case: Hazardous waste generation reduction achieved by Zhongjin Petrochemical

Zhongjin Petrochemical's original production process generated certain impurities that required removal using activated clay, resulting in spent clay classified as hazardous waste. Through process optimization, Zhongjin Petrochemical has effectively controlled impurity formation at the source, significantly reducing the volume of spent clay generated, with a reduction of approximately 1,000 tonnes annually.

## Seizing Clean Technology Opportunities

The Company regards the development of clean technology-related businesses as a core pillar of its green growth strategy. We focus on the innovative application of alternative energy sources and technologies, explore sustainable water use models and technical pathways, drive technological innovation of circular economy, and facilitate the industry's green and low-carbon transition. The Company plans to invest at least RMB 15 billion in the construction of clean technology product projects by 2030, while ensuring that 100% of new development projects deliver sustainability benefits.

#### In 2025

the operating income from the Company's clean technology-related products reached RMB **54.95** billion

accounting for approximately **17.8%** of total operating income

### Alternative energy sources and technologies

#### Photovoltaic project deployment

The Company's subsidiaries have actively deployed photovoltaic power generation facilities, with multiple projects completed and put in operation:

- Shengyuan Chemical Fiber has completed two phases of photovoltaic projects with a combined installed capacity of 20 MWp.
- Yongsheng Technology has completed two phases of photovoltaic projects with a combined installed capacity of 19.5 MWp.
- Zhongjin Petrochemical has completed a photovoltaic project with an installed capacity of 1.2 MWp.

The Company will continue to expand its photovoltaic applications and has commenced the construction of several new projects which are scheduled to be completed in 2026:

- ZPC plans to develop a photovoltaic project with an installed capacity of 57 MWp.
- Rongsheng New Materials (Zhoushan) plans to develop a photovoltaic project with an installed capacity of 28 MWp.
- Rongxiang Chemical Fiber plans to develop a photovoltaic project with an installed capacity of 2.7 MWp.

### EVA capacity expansion

ZPC has commissioned a 300,000-tonne-per-year EVA facility for photovoltaic encapsulant materials, generating about RMB 1 billion in economic benefits each year. To seize opportunities in the growing photovoltaic market, ZPC plans to invest RMB 30 million in R&D for related materials while further expanding its EVA capacity. Construction of the production facility is progressing as scheduled. Upon completion, the project is expected to contribute an additional RMB 2.25 billion in annual economic benefits.

### ZPC 10 MW/20 MWh energy storage system

ZPC has deployed two energy storage systems (5MW/10MWh each), totaling 10MW/20MWh. The battery energy storage system charges during off-peak hours using surplus transformer capacity and discharges during peak hours. This not only avoids the use of fossil fuel energy when there is a shortage of electricity during peak hours but also saves a portion of the electricity costs during those hours. The system is also equipped with independent fire protection, temperature control, lighting, video surveillance, and other systems to ensure safe and reliable operation. In 2025, this energy storage system generated an economic benefit of RMB 825,000 for ZPC.

## Sustainable use of water resources

### ZPC's promotion of seawater desalination project

ZPC has constructed three phases of seawater desalination projects utilizing membrane and thermal technologies, with a total production capacity of 515 thousand tonnes per day, which addresses the issue of limited freshwater resources in its island location. The team developing the seawater desalination project tailored their approach to the local conditions, utilizing an overhead design to fully utilize vertical space and maximize freshwater production within the limited production area. In 2025, ZPC's seawater desalination project reduced water bill expenditures by RMB 940 million.

## Circular economy

### Recycling waste oil to produce hydrogen

ZPC generates nearly 200 thousand tonnes of tar every year, which was previously incinerated as waste liquid. ZPC has recycled 160 thousand tonnes of tar for hydrogen production based on its properties and suitability as a feedstock for producing hydrogen from oil residue. This approach not only reduces carbon dioxide emissions from waste liquid incineration but also brings an annual economic benefit of over RMB 100 million.

### Utilization of self-produced biogas

- Shengyuan Chemical Fiber collects biogas produced during the anaerobic treatment of wastewater and utilizes it as fuel. The hourly heat output is equivalent to that of 0.445 tonnes of saturated steam, delivering an annual economic benefit of approximately RMB 400,000.
- At Yisheng Dahua, biogas generated from the wastewater treatment process of its integrated utilization facility is partly used as feedstock in production processes, and partly as combustion gas for the facility. The surplus biogas is utilized as fuel for thermal medium furnaces. This practice reduces raw-coal consumption by about 4,000 tonnes and cuts carbon dioxide emissions by roughly 8,000 tonnes annually.

## Main Environmental Performance Indicators<sup>1</sup>

During the reporting period, the main environmental performance indicators of Rongsheng Petrochemical are as follows:

Issue	Category	Indicator	Unit	2024	2025
Emissions <sup>2</sup>	Exhaust gas	Sulfur dioxide (SO <sub>2</sub> ) emissions	tonne	559	439
		Nitrogen oxide (NO <sub>x</sub> ) emissions	tonne	5,609	5,572
		Particulate matter emissions	tonne	190	209
		Volatile organic compounds (VOCs) emissions	tonne	7,643	7,214
		Approved SO <sub>2</sub> emissions <sup>3</sup>	tonne	/	3,487
		Approved NO <sub>x</sub> emissions <sup>3</sup>	tonne	/	11,213
		Approved particulate matter emissions <sup>3</sup>	tonne	/	2,049
		Approved VOCs emissions <sup>3</sup>	tonne	/	10,838
	Wastewater	Chemical oxygen demand (COD) discharge	tonne	1,516	1,120
		Ammonia nitrogen discharge	tonne	16	10
		Approved COD discharge <sup>3</sup>	tonne	/	3,188
		Approved ammonia nitrogen discharge <sup>3</sup>	tonne	/	353
	Waste	Hazardous waste	tonne	336,989	387,458
		Hazardous waste intensity <sup>15</sup>	tonne per tonne of production	0.01	0.01
Non-hazardous waste <sup>4</sup>		tonne	1,081,789	759,124	
Non-hazardous waste intensity <sup>15</sup>		tonne per tonne of production	0.02	0.01	
		Recycled and disposed waste	tonne	446,663	461,191

Issue	Category	Indicator	Unit	2024	2025
Resource use	Direct energy consumption <sup>5</sup>	Coal <sup>6</sup>	tonne	5,544,020	4,170,053
		Gasoline	tonne	6	12
		Diesel fuel <sup>7</sup>	tonne	9,003	11,665
		Natural gas	m <sup>3</sup>	/	3,960
	Indirect energy consumption	Biogas	m <sup>3</sup>	/	20,695,500
		Photovoltaic power generation <sup>8</sup>	kWh	/	48,122,341
		Purchased electricity	MWh	9,881,046	10,668,011
		Purchased green electricity <sup>9</sup>	MWh	2,147,427	2,282,006
	Comprehensive energy consumption	Purchased steam <sup>6</sup>	GJ	468,589	6,117,002
		Comprehensive energy consumption	tonne of standard coal	9,225,475	10,731,767
	Comprehensive energy consumption intensity <sup>15</sup>	Comprehensive energy consumption intensity <sup>15</sup>	tonne of standard coal per tonne of production	0.15	0.17
		Total water consumption	tonne	189,875,843	189,374,844
	Water consumption	Water consumption intensity <sup>15</sup>	tonne per tonne of production	3.16	3.08
		Freshwater intensity	tonne per tonne of production	/	0.67
		Freshwater intake <sup>10</sup>	tonne	/	41,221,224
- Municipal water system		tonne	42,393,981	40,874,893	
- Groundwater		tonne	0	0	
- Surface water		tonne	601,080	346,331	
Seawater desalination		tonne	139,866,896	139,818,030	
Other sources		tonne	7,013,886	8,335,590	
Reused water		tonne	43,771,996	46,732,445	
Packaging material consumption		Consumption of packaging materials <sup>11</sup>	tonne	81,377	126,380
Greenhouse gas (GHG) emissions <sup>12</sup>	Scope 1 GHG emissions <sup>13</sup>	tCO <sub>2</sub> e	47,531,819	46,314,014	
	Scope 2 GHG emissions <sup>14</sup>	tCO <sub>2</sub> e	5,338,281	6,333,070	
	Total amount of GHG emissions	tCO <sub>2</sub> e	52,870,100	52,647,084	
	GHG emissions intensity <sup>15</sup>	tCO <sub>2</sub> e per tonne of production	0.88	0.86	

Issue	Category	Indicator	Unit	2024	2025
Environmental management	Environmental protection investment		RMB 10,000	27,273	21,990
	Environmental protection training	Hours of environmental protection training	hour	80,137	75,592
		Sessions of environmental protection training	time	457	476
		Participation in environmental protection training	participation	22,278	39,676
		Proportion of pollutant discharge up to the standard	%	100	100
	Proportion of noise controlled up to the standard	%	100	100	
	Proportion of environmental facilities in operation	%	100	100	
	Number of major environmental pollution accident		case	0	0

1. The statistical scope of environmental performance indicators covers main operation and production units, including Ningbo Zhongjin Petrochemical Co., Ltd., Zhejiang Petroleum & Chemical Co., Ltd., Yisheng Dahua Petrochemical Co., Ltd., Zhejiang Yisheng New Materials Co., Ltd., Zhejiang Shengyuan Chemical Fiber Co., Ltd., Rongxiang Chemical Fiber Co., Ltd., Zhejiang Yongsheng Technology Co., Ltd. and Rongsheng New Materials (Zhoushan) Co., Ltd. Rongsheng International Trading Co., Ltd and Rongsheng Petrochemical (Singapore) Pte. Ltd. do not involve in industrial production activities, thus they will no longer be within the scope of main production and operation units.

2. The emission data are all derived from environmental monitoring and management conducted in accordance with laws, regulations, standards, and norms.

3. Approved emissions of pollutants are consolidated based on the total annual permitted emission limits for the respective pollutant as specified in the emission permits.

4. During the reporting period, some subsidiaries reduced their consumption of coal for hydrogen production, resulting in a corresponding decrease in coal ash, and consequently, a decrease in non-hazardous waste compared to the previous year.

5. Oil is the Company's main production raw material. It is not used as an energy source, thus we will no longer disclose its consumption.

6. During the reporting period, Zhejiang Shengyuan Chemical Fiber Co., Ltd. and Rongxiang Chemical Fiber Co., Ltd. decommissioned their self-owned boilers, resulting in a decrease in coal and an increase in purchased steam consumption compared to the previous year.

7. During the reporting period, the Company further refined the scope of its diesel fuel calculation. To ensure data comparability, the Company has retrospectively adjusted its 2024 diesel fuel consumption.

8. Photovoltaic power generation refers to the total amount of electricity generated by the Company's on-site photovoltaic power generation facilities, including both electricity for self-use and electricity fed to the grid.

9. During the reporting period, the Company further refined the definition of purchased green electricity to include only renewable electricity purchased from third parties, excluding green energy certificates. To ensure data comparability, the Company has retrospectively adjusted the 2024 data for purchased green power.

10. Freshwater intake refers to freshwater drawn from the natural environment or water supplied by municipal water treatment plants.

11. During the reporting period, Zhejiang Shengyuan Chemical Fiber Co., Ltd. and Rongxiang Chemical Fiber Co., Ltd. reached full production, resulting in an increase in packaging material consumption to the previous year. The Company also further refined the scope of its consumption of packaging materials calculation. To ensure data comparability, the Company has retrospectively adjusted its 2024 consumption of packaging materials.

12. During the reporting period, the Company further refined the accounting boundary for greenhouse gas emissions. Based on the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, referencing international mainstream standards and industry practices, and combining expert opinions, the Company further clarified the accounting boundary for GHG emissions as the major production and operation units within the scope of consolidated financial statements. GHG emissions generated by these units are included in the Company's total emissions at 100%. To ensure data comparability, the Company has retrospectively adjusted its 2024 GHG emissions data.

13. Scope 1 GHG emissions refer to the sum of direct GHG emissions generated by Rongsheng Petrochemical Co., Ltd.'s main operation and production units through fuel combustion emissions, process emissions, torch combustion emissions in 2025, minus the amount of GHG recycling collected and utilized in the production process, with reference to the *Guide to Accounting Methods and Reporting of Greenhouse Gas Emissions by China's Petrochemical Companies (Trial)*.

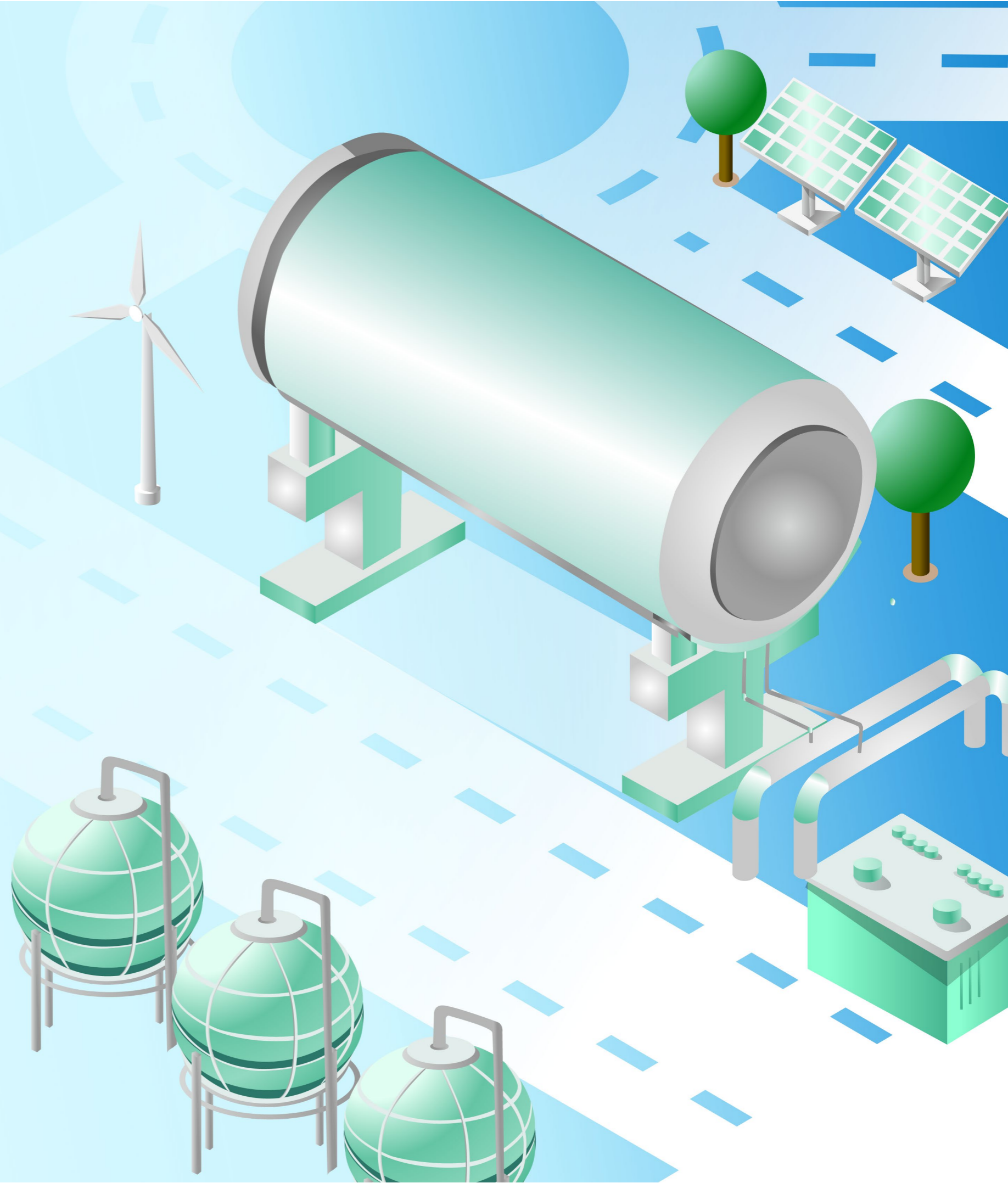
14. Scope 2 GHG emissions refer to the sum of indirect GHG emissions generated by Rongsheng Petrochemical Co., Ltd.'s main operation and production units through net purchases of electricity and net purchases of heat in 2025, with reference to the *Guide to Accounting Methods and Reporting of Greenhouse Gas Emissions by China's Petrochemical Companies (Trial)* and the *Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors*.

15. During the reporting period, the Company optimized and refined the calculation method for density indicators. Based on the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, referencing industry peer practices, and considering the Company's actual situation, production volume was incorporated into the density calculation. To ensure data comparability, the Company has retrospectively adjusted the 2024 data for hazardous waste intensity, non-hazardous waste intensity, comprehensive energy consumption intensity, water consumption intensity, and GHG emission intensity.

# 04

## Creating Momentum by Reinforcing Quality and Safety

Rongsheng Petrochemical regards work safety as its foundation, continuously refining chemical safety management measures and fostering a culture of safety and quality across the entire organization. The Company adheres to the baseline standards in product and service quality, and leverages its end-to-end quality management system to accurately identify and respond to customer needs and market changes. Through sustained investment in R&D and innovation, Rongsheng Petrochemical is committed to achieving excellence through craftsmanship and enhancing efficiency through continuous breakthroughs. This focus strengthens the Company's core competitiveness and contributes lasting value to its sustainable development and the progress of the industry as a whole.



## Guarding Work Safety

Rongsheng Petrochemical upholds the development principle of "safety first, people-oriented, and environmental protection first". We enhance our capabilities in risk prevention and proactive forecasting, continuously strengthen the "red line awareness" regarding work safety, advance the establishment of a long-term safety management mechanism, strictly fulfill the primary responsibility for safety in production, focus on identifying and addressing all types of potential hazards, and comprehensively improve the level of work safety management.

During the reporting period

Work safety investment was RMB **572.43** million

## Risk Management of Work Safety

Abiding by relevant national and local laws and regulations, including the *Work Safety Law of the People's Republic of China* and the *Work Safety Regulations of Zhejiang Province*, the Company has developed a number of internal policies, such as the *Management Regulations on Work Safety and Environmental Protection*, the *Work Safety Responsibility System* and the *Hazard Identification and Risk Grading Control Procedures*. Besides, an effective work safety management system has also been established to standardize work safety practices across all subsidiaries. During the reporting period, no work-related fatality occurred at the Company or its subsidiaries.

Adhering to the work safety management principles of "full participation, prevention first, safety and health as the foundation, and continuous improvement" along with the principle that "the person in charge takes the responsibility", the Company establishes a comprehensive work safety responsibility system. We sign the *Annual Safety and Environmental Protection Target Responsibility Statement* with each subsidiary and the *Work Safety Responsibility Statement* with all employees to strengthen the work safety awareness among all staff.

### The HSE management group or the Work Safety Committee is responsible for

- Building and improving the framework of work safety system;
- Setting annual safety objectives and managing assessment plans;
- Improving the supervision and inspection systems for safety and environmental protection;
- Inspecting safety hazards and the implementation of precautionary measures;
- Formulating the Company's contingency plans for safety and environmental incidents, and ensuring the implementation of emergency drills;
- Conducting regular safety and environmental meetings to review and analyze the production safety status, and drawing lessons from recent safety incidents.

### The HSE management group or department is responsible for

- Implementing tasks arranged by the leading group;
- Appointing safety staff by team for the safety management at grassroots level.

## ◆ Safety Inspection and Appraisal

During the reporting period, each subsidiary formulated work safety objectives and achieved them through the effective operation of the work safety system and the implementation of relevant management measures. The achievements include the following:

No major fires, explosions, significant work safety accidents, major equipment accidents, major occupational disease hazards, major environmental pollution incidents, leaks of hazardous chemicals or major health and safety violations.

Special equipment annual inspection and regular inspection pass rates reached 100%.

Hazard rectification rate reached 100%.

The Company has established a dedicated safety supervision team to conduct continuous safety inspections across all production areas, including daily inspections, special inspections, and random spot checks, covering all production processes. Identified issues are addressed through closed-loop rectification. Additionally, third-party consulting service providers are engaged to perform on-site monitoring and verify the implementation of safety measures.

The Company organizes employees to sign the *Work Safety Responsibility Statement* to strictly assure their primary responsibility in their position to ensure work safety. In case of safety accidents, disciplinary action or economic penalties are imposed on the responsible department heads in accordance with internal policies, including the *Accident (Incident) Management Procedures*, and the *Management Procedures for Reward and Punishment for Work Safety*, based on the severity of the incident. The accident details are also reflected in the appraisal results of relevant departments. We will follow up on the outcomes of incident handling and the rectification of related issues to prevent recurrence. The Company conducts monthly safety performance evaluations, penalizing personnel who fail to fulfill their duties while granting awards to departments and individuals who demonstrate excellence in safety practices. Indicators such as safety management, occupational health management, incident management, fire safety management, and contractor management are incorporated into the annual comprehensive assessment to incentivize all departments to fulfill their safety management responsibilities.

### Case: Digitalization of the dual prevention mechanism for chemical management at ZPC

ZPC has digitalized its dual prevention mechanism, establishing an intelligent safety management system featuring "all-staff QR code scanning and full-process traceability". The Company has established a network of system administrators and integrated the risk registers for all facilities together with nearly 20,000 control measures into an online platform. This enables a four-tier prevention and control system for major risks and allows all employees, regardless of position, to conduct inspections via a dedicated mobile application. During the year, the Company systematically closed the loop on 59,151 identified hazards through its management system, achieving a task inspection rate of 99.95% in the dual prevention system and a 100% hazard rectification rate. These efforts have fostered a long-term governance framework for risks and hazards characterized by "collective prevention and control, shared responsibility and management".

## ◆ Emergency Management

The Company establishes an emergency management system and develops emergency response plans for key procedures. Upon the occurrence of an incident, Rongsheng Petrochemical and its subsidiaries will strictly adhere to national laws and regulations, including the *Regulations on Reporting, Investigation and Handling of Production Safety Accidents* (State Council Decree No. 493) and the *Provisions on Penalties for Production Safety Accidents* (Ministry of Emergency Management Order No. 14), as well as internal policies such as the *Incident Management Regulations* (Q/RK G08 005-2022) of Rongsheng Holding Group. At the same time, we will promptly report the incident to local government authorities and relevant departments of the Company, immediately activate emergency response procedures, and swiftly implement effective measures to control and eliminate the impact of the incident, thereby ensuring personnel safety and minimizing property losses. Upon completion of the emergency response, we will establish an investigation team based on the accident category and direct economic losses. Within the specified time frame, we will comprehensively implement the "four Non-Closures" principle, which includes analyzing the accident cause, formulating preventive measures, conducting safety education and training, and taking disciplinary actions against responsible personnel. We perform emergency drills together with relevant departments every year, and rectify the problems found, so as to continuously improve the comprehensive emergency response of the Company.

During the reporting period

Safety emergency drills  
**1,082** times

Participation in safety emergency drills  
**25,562** participations

Coverage of employee work-related injury insurance  
**100%**

Employee work-related injury insurance investment  
RMB **11.63** million

Employee work safety liability insurance investment  
RMB **990** thousand

Coverage of employee work safety liability insurance<sup>6</sup>  
**100%**

### Case: Zhongjin Petrochemical conducts emergency drill for leakage and fire incident

In June 2025, Zhongjin Petrochemical conducted an emergency drill at the tank farm of its Storage and Transportation Department, simulating a chemical leak and fire incident. The drill simulated the entire emergency response process, including accident alarm, personnel rescue, self-rescue using fixed firefighting facilities, process isolation, mobilization of in-house dedicated fire brigade, support from external firefighting forces, and coordinated joint firefighting operations. This exercise tested the Company's emergency response capabilities in the event of a major leak or fire incident and the feasibility of its contingency plan. It also strengthened coordination among the Process Isolation Team, the Emergency Repair Team, and the Fire & Rescue Team, ensuring they are ready to respond under the principle of "thorough preparedness, prompt action, and professional collaboration".

## ◆ Safety Culture Development

The Company has developed the *Management Rules for the Implementation of Safety Training and Education* and training plans and launched safety training activities covering all employees. This year, we developed special training courses on topics including occupational hazard factors and protective measures, safety and environment knowledge for freshman, and first aid. We also invited professional firefighting authorities to provide fire safety training for our employees, which enriched our safety and health training contents. In addition, we conducted assessments of safety knowledge and skills, increased the number of certified employees, and regulated the safety behaviors of all employees, creating a safety culture and value system that integrates knowledge with practice across all levels of the organization.

6. Applicable to the subsidiaries that belong to high-risk industries and sectors within the Company's main production and operation units.

During the reporting period

Total hours of safety training<sup>7</sup>  
**459,998** hours

Participation in safety training  
**111,526** participations

## Emphasizing Occupational Health

Attaching great importance to employees' physical and mental health, the Company strictly abides by laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used*, and the *Regulations on Occupational Health in the Workplace*. Additionally, the Company has developed internal policies, such as the *Occupational Health Examination Management Measures*, the *Occupational Hazard Warning and Notification Management Measures*, the *Occupational Health Management Procedures*, the *Occupational Health Risk Identification and Assessment Management Procedures*, and the *Employee Physical Examination Implementation Rules*. These policies clearly define the key tasks for occupational health management, including employee occupational health examinations, detection of workplace hazard factors, and protective measures. By continuously refining internal occupational health and safety policies and measures, the Company is committed to safeguarding employees' health and safety through a multi-faceted approach.

In 2025, ZPC, Yisheng Dahua, Yisheng New Materials and Yongsheng Technology underwent and successfully passed the surveillance audit for their ISO 45001 Occupational Health and Safety Management System certificate. Meanwhile, ZPC and Zhongjin Petrochemical obtained an expanded-scope occupational health and safety management system certificate from Beijing Sanxing 9000 Certification Body Co., Ltd. All our subsidiaries in operation have obtained ISO 45001 Occupational Health and Safety Management System certificate.



Occupational health and safety management system certificates granted to the Company and some subsidiaries

The Company regularly evaluates occupational disease hazards, organizes occupational health examinations for employees, and establishes occupational health files for them. All subsidiaries have established an Occupational Health Management Leading Group and appointed full-time occupational health management personnel. They engage third-party agencies to perform annual monitoring and assessment of occupational hazard factors, and conduct occupational hazard status evaluation once every three years. For positions exposed to occupational disease hazards, the Company strictly implements pre-job, on-the-job, and off-the-job occupational health examinations for relevant employees to effectively safeguard their health.

7. Refers to the total duration of safety training completed by employees of production and operation enterprises among Rongsheng Petrochemical's subsidiaries.

During the reporting period

Proportion of employees who received occupational physical examination **100%**

Proportion of employees with occupational health files **100%**

#### Measures for occupational health management

<b>Policy Support</b>	Our subsidiaries have developed management plans concerning occupational disease prevention and control based on their business practices and potential risks, including the <i>Planning Procedures for Hazard Source and Risk Assessment and Control</i> and the <i>Summary for Hazard Source Identification, Risk Assessment, and Control Planning</i> .
<b>Hazard Identification</b>	We conduct annual hazard factor detection and monthly routine monitoring in the workplace, and promptly inform the operation positions of the test results to create a favorable workplace for employees.
<b>Labor Protective Equipment</b>	We distribute personal protective equipment as required and supervise and inspect whether they are used properly. Moreover, we have emergency protective equipment on demand and regularly check their effectiveness.
<b>Medical Assurance</b>	We have optimized the Company's medical assistance system, prepared emergency first aid supplies and contracted with hospitals for medical services for work-related injury, to ensure the medical assistance to employees.
<b>Occupational Health Files</b>	We carry out pre-job, on-the-job, off-the-job, and emergency physical examinations for employees exposed to occupational hazards, and establish relevant files to monitor their health status in real time.
<b>Occupational Health Training</b>	We organize publicity week campaigns on occupational disease prevention and control law, and carry out occupational health training for all employees and contractors to enhance their protection awareness and skills.



To enhance employees' awareness of occupational health and safety as well as their emergency response capabilities, the Company has established a standardized training system covering all personnel and processes. Through a combination of online platforms and hands-on practical operations, we organize regular safety training for new employees, on-duty employees, managers, and contractors. The training program encompasses modules on occupational health, operating procedures, risk identification, and first aid skills. In 2025, the cumulative number of safety training participations at the Company and its subsidiaries reached 111 thousand, effectively enhancing participants' abilities in risk prevention, self-rescue, and mutual aid. This has helped create a safety culture characterized by "enhancing knowledge through training and sharpening skills through competitions", providing a solid guarantee for the Company's work safety and employee well-being.

## Chemical Safety Management

### ◆ Chemical Management Policies

The Company is committed to promoting responsible and sustainable chemical management throughout the product life cycle. The Company strictly complies with the *Regulations on the Safety Administration of Hazardous Chemicals*, the *Regulation on the Administration of Precursor Chemicals*, the *Safety Code for Special Operations in Hazardous Chemical Enterprise*, and other relevant national laws and regulations and has developed internal policies such as the *Chemical Management Policy*, the *Management Regulations for the Safety Technology Instructions and Safety Labels of Chemicals*, and the *Management Regulations for Hazardous Chemicals Storage*, clearly regulating the safety management of research, production, distribution, storage, use, transportation, disposal and other handling processes of chemicals. We also apply for or renew our registration certificates and safe production licenses for hazardous chemical products according to the procedures prescribed by the state. For specific policies on chemical management, please refer to *Rongsheng Petrochemical Strengthens Chemical Management by Following the Established Rules*.

### ◆ Chemical Registration and Use

The Company conducts a comprehensive survey of all hazardous chemicals in accordance with laws and regulations such as the *Measures for the Registration and Management of Hazardous Chemicals* and the *Regulations on the Safety Management of Hazardous Chemicals*, establishes hazardous chemical management records, and registers with the local work safety supervision and management departments in the regions where it operates. The Company continuously develops and improves safety operating procedures for the production, use, storage, distribution, and transportation of hazardous chemicals, and accepts supervision and inspections conducted by work safety supervision and management departments in accordance with the law. For other chemicals, the Company also carries out identification and assessment work in compliance with laws and regulations, establishes management records, implements compliance management, and ensures the safety of personnel, property, and the environment.

The Company conducts a "Chemical Safety Status Assessment" every three years for all chemicals used. In 2025, all subsidiaries conducted chemical registrations and hazardous chemical identifications for intermediate products, raw materials, and final products involved in production operations, identifying 79 classified as hazardous chemicals. We perform chemical identification of their types and hazards, and develop corresponding management ledgers. In accordance with the *Administrative Measures for Chemical Safety Data Sheets and Safety Labels*, we engage qualified third-party institute to prepare the *Material Safety Data Sheets (SDS)* for all of our products and intermediates, and publish the SDS on the national "Comprehensive Registration Service System for Hazardous Chemicals" and the big data platforms for the prevention and control of hazardous chemical risks in the regions where our subsidiaries are located. These SDS cover the uses, physical and chemical properties, impacts on health and the environment, usage procedures, risk management measures, regulatory information, and classification and labelling information of the chemicals. When developing the SDS, the Company fully takes into account the requirements of international laws, regulations, and systems, such as the *United Nations Globally Harmonized System of Classification and Labelling of Chemicals*, the *International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk*, the *International Maritime Solid Bulk Cargoes Code*, and the *International Maritime Dangerous Goods Code* to ensure that customers are provided with comprehensive and effective information. We request SDS from suppliers for all raw materials and 3 chemical agents (catalysts, solvents and additives) used by the Company. The SDS of all our subsidiaries are available on our website, please refer to *Rongsheng Petrochemical Chemical Products Use and Regulatory Requirements*.

Product Name	Company Name	Use	Regulation	Notes	MSDS Download	RDS Download
Carbon dioxide	Zhejiang Petroleum & Chemical Co., Ltd.	Welding, fire fighting, electronics and semiconductor industry, food freezing, dry ice cleaning	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases		#filedownload/824603	
			Classification of Occupational Disease Hazard Factors	Not included		
			Possible occupational disease	Frostbite		
			Catalog of Occupational Disease	Frostbite		
			Regulations on the Safety Management of Hazardous Chemicals			
			List of Hazardous Chemicals (2015)	Included, the substance is classified as Class 2.2 liquefied non-flammable gas		
			List of Hazardous Chemicals for Making Explosives (2017)	Not included		
			Interim Provisions on the Supervision and Management of Major Hazard Sources of Dangerous Chemicals			

Rongsheng Petrochemical Chemical Products Use and Regulatory Requirements

### ◆ Hazard Assessment and Hierarchical Management and Control of Chemicals

The Company strictly adheres to state and local chemical catalogues, such as the *Catalogue of the Work Safety Technology and Equipment of Outdated Hazardous Chemicals to be Eliminated (First Batch)*, and the *List of Strictly Restricted Toxic Chemicals in China*. We have strengthened our chemical controls to ensure that our production and business activities do not involve the use of any chemicals that are explicitly prohibited, required to be eliminated, or replaced by the state. Currently, none of the chemicals used by the Company involve substances on the national restricted list.

In light of the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*, the *UN Manual of Tests and Criteria*, the *Catalogue of Hazardous Chemicals*, and other relevant regulations, the Company regularly identifies risks and assesses hazardous chemicals in its products, as well as for chemical raw materials and reagents used in laboratories. The Company implements risk grading control and hidden danger investigation and management, sets up storage facilities that meet the required conditions, provides safety education for relevant employees, and engages qualified third parties to issue appraisal reports. It actively identifies and addresses risks associated with the storage, production, use, disposal, and transportation of chemicals. Additionally, the Company regularly reports information on hazardous chemicals to government regulatory platforms for supervision.

In addition, the Company is committed to bringing safer materials, products, and technologies to the market and closely monitors the use of Substances of Very High Concern (SVHC). Yongsheng Technology, a subsidiary of the Company, completed RoHS, REACH, and FDA compliance testing for its membrane products. ZPC, a subsidiary of the Company,

reviewed the list of restricted substances and substances of very high concern under RoHS, and sent products that could contain such substances for professional RoHS and SVHC testing. All sampled batches met regulatory standards. Furthermore, ZPC actively pushed forward the registration of raw materials under REACH based on the needs of international business.

The Company conducts life cycle assessments (LCA) for each stage of the product life cycle to identify substances that may pose risks to the environment or human health. It comprehensively evaluates the feasibility of alternatives, formulates phase-out plans, gradually implements substitution work, and monitors and assesses the effects after substitution. This year, the Company carried out the following work:

**Replacing toluene solution with aqueous solution**

The polymerization inhibitor in a facility of ZPC was originally designed to use 25% TBC toluene solution. Following process improvements, the facility now uses 85% TBC aqueous solution instead of 25% TBC toluene solution. This upgrade eliminates the use of high-risk toluene substances, thereby reducing the safety and occupational health risks.

**Replacing DAE with TDAE**

ZPC's rubber facility adopts more environmentally friendly TDAE as rubber process oil, reducing the total content limit of the eight priority-controlled polycyclic aromatic hydrocarbons (PAHs) to below 10 mg/kg, and the content of Benzo[a]pyrene below 1 mg/kg. Compared to DAE process oil, TDAE ensures better compliance with EU REACH regulations and increasingly strict domestic environmental requirements.

**Replacing traditional dimethyl disulfide inhibitor with a safer, greener alternative**

ZPC continues to advance the replacement of coke Inhibitor in the ethylene cracking furnaces, replacing the original dimethyl disulfide (DMDS) inhibitor with a safer and more environmentally friendly one. The new inhibitor is not classified as a hazardous chemical, making it easier to transport and store. While maintaining the same coke inhibition performance, it reduces chemical safety risks, on-site occupational health impacts, and environmental pollution risks.

In the future, we will continue to screen and assess all chemicals for restricted substances to reduce our reliance on materials that pose environmental or health hazards. If any use of nationally restricted chemicals is found, we will immediately stop using them and seek alternative low-impact chemicals.

### ◆ Chemical Leakage Accident Handling and Prevention

The Company has developed the *Special Emergency Plan for Leakage of Hazardous Chemicals*. To address potential leakage of hazardous chemicals that are highly toxic, flammable, or explosive, we have established corresponding emergency plans. These plans clearly specify our emergency organization network and the responsibilities and response procedures of all departments under emergency response at all levels. We regularly organize chemical reagent leakage response training and chemical emergency drills, so as to strengthen employees' awareness of hazardous chemical risk. For personnel handling chemicals, the Company has posted "Reminders for Hazardous Chemicals", and requires them to wear personal protective equipment properly and master emergency response skills for potential accidents. We also provide safety management training and drills to enhance employees' knowledge of chemical safety and reduce the risk of chemical spills.

During the reporting period, no major chemical leakage incident or other safety incidents occurred in the Company.

Shengyuan Chemical Fiber's safety information card for hazardous chemical

Case: ZPC conducted chemical knowledge training

In 2025, to enhance the safety management of chemicals across the entire process, ZPC conducted systematic knowledge training in five dimensions of laws, regulations, policies and standards; the identification, classification and registration of chemicals; specification for preparing "one document and one label"; the identification of hazardous chemicals and dangerous goods; and operational procedures for the transport, handling and loading of hazardous materials. This effectively enhanced employees' practical abilities in chemical compliance management, ensuring safety control throughout the entire process, from production to transportation.

### Safety Management of Contractors

Adhering to the principle of "safety first, prevention prevails", the Company requires contractors to comply with relevant national laws and regulations on work safety and corporate regulations such as the *Safety Management Measures for Outsourcing Construction*, the *HSE Management Protocol for Contractors*, the *Management Policy for Contractors*, and the *Safety and Environmental Protection Assessment Rules for Contractors*. Meanwhile, the Company conducts qualification reviews on contractors and incorporates them into our safety management throughout the lifecycle from contract signing to project acceptance. The Company requires contractors to promptly rectify construction safety issues raised by the Company, accept the Company's assessment or punishment, and strive to prevent and reduce safety accidents.

On this basis, the Company further strengthens the safety management of contractors by adopting the following measures:

**Source control**

Prior to commencing work, contractor project managers are required to make formal safety commitments. These signed commitment statements are publicly displayed on-site to ensure the implementation of all prescribed safety measures.

**In-process control**

The Company places inspection QR codes at all worksites. Project managers from contractors and project management units, as well as other professional management personnel at various levels, must conduct safety inspections at varying frequencies and scan the QR codes to digitally log compliance records. This system effectively enforces safety responsibilities across all management levels.

**Routine control**

In accordance with internal protocols, the Company conducts regular safety training, technical safety briefings, periodic safety inspections, and safety meetings for contractors to ensure ongoing compliance and awareness.

### Contractor safety management process

- 1. We review the safety qualifications of contractors and verify their business licenses, qualification certificates, and work safety licenses and other qualifications. Furthermore, we conduct systematic evaluation on our contractor's HSE management system.
- 2. We sign the relevant HSE agreements with our contractors before construction, including the *Contractor's Safety Commitment*, the *Incoming Construction Safety Accountability Letter*, and the *Project HSE Assurance Contract*.
- 3. Before construction, we conduct safety review for personnel, tools and equipment, ensure that contractors sign the *Safety Education Record*, and provide safety education and training for contractor's management personnel and operators. Contractor's personnel are allowed to enter the site only after obtaining the training certificate.
- 4. We assign dedicated safety engineers to conduct on-site inspections and evaluations, and issue rectification notices for problems identified. We terminate relationships with contractors who have serious violations a refuse to rectify them.
- 5. We evaluate the contractor's performance online through ERP system. We hold regular HSE meetings for contractors. We will inquire, educate, or punish contractors who are accountable for accidents or commit serious violations or repeated violations.
- 6. We regularly organize contractors to carry out emergency drills for high-risk operations.

## Strengthening R&D Innovation

Upholding the innovation-driven development strategy, the Company systematically advances the improvement and implementation of the innovation system and mechanism. By adopting a forward-looking strategic perspective, we stay attuned to industry trends, strengthen our independent R&D capabilities and technological innovation proficiency, and achieve high-level self-reliance. We focus on fostering an innovative atmosphere, fully unleashing employees' creative potential, rapidly building up R&D momentum, and developing new quality productive forces.

### Innovation Mechanism and Application of Innovation Achievements

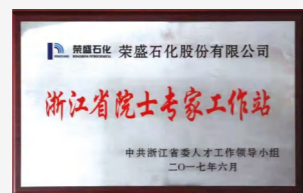
Under the oversight of the Board of Directors, the R&D center is responsible for work planning, establishment of policies and evaluation systems, application of patents and awards and others. The subsidiaries are responsible for the implementation of R&D projects. We have established the Dongjiang Innovation Center, a research platform, to coordinate and manage our research work.

In terms of management policies, we have formulated the *High-quality Innovation Management Regulations (for trial implementation)*. Our subsidiaries also launched supporting innovation management mechanisms and measures, standardizing the application and reward of scientific and technological achievements. The subsidiary sets special funds for innovation each year, categorizes innovation projects according to their difficulty and yields, and provides financial support of different amounts to them. Employees' contributions to innovation will be used as one of the criteria for appraisal, promotion, and position transfer.

2025

R&D investment RMB **4,989.25** million      R&D professionals **3,461** persons

The Company adheres to the two-wheel driven scientific and technological research and development model of "independent innovation" and "open cooperation". We have built a first-class research and development platform such as a high-tech research and development center, an academican expert workstation, an enterprise technology center, and a postdoctoral research workstation. At the same time, we actively carry out foreign technical exchanges and discussions, promote the integration of industry, academia and research cooperation, integrate the resources of universities, society, enterprises and other parties, work together to improve the level of scientific research, promote technological progress, and jointly create an open, healthy, win-win innovation ecology.



First-class R&D platforms established by Rongsheng Petrochemical

As a member of the National Chemical Fiber Industry Standardization Committee, we have led and participated in the formulation of a number of product industry standards. To facilitate the application of innovation achievements, we have strengthened our achievement application mechanism, the feasibility study and selection and evaluation of scientific research projects to identify promising research projects, actively supporting the industrialized project productions with promising futures. Some of the research and innovation achievements of the subsidiaries for 2025:

ZPC's seven provincial-level new products and technologies, including "Long-cycle Clean Production Technology for Para-xylene and Petroleum Benzene" and "Complete Technology Development of Metallocene Polyethylene Catalyst", have passed expert appraisal of scientific and technological achievement. One provincial-level industrial new product, "Low-residue Polycarbonate New Product", has obtained a certificate. The "Dedicated Materials for High-density Polyethylene IBC Tank" won the third prize of the 2025 Zhejiang Chemical Industry Science and Technology Awards. The municipal major project "Research and Development and Exemplary Industrialization of Polycarbonate Depolymerization" has been completed and accepted.

Zhongjin Petrochemical carried out the project of "Research and Development of Key Technologies and Equipment for Energy Saving and Consumption Reduction in High Carbon Industry" in line with the national energy-saving and consumption reduction policies. By optimizing the process of the aromatic facility, the project has achieved the recovery of low-temperature waste heat, and lowered the consumption of circulating water, electricity, steam, fuel gas and coal, promoting improvements in energy efficiency and low-carbon transition of the facility. This project has completed the mid-term acceptance review this year and has been included in the list of provincial-level key research and development projects.

#### Case: Partnering with Zhejiang University to build a paradigm of new green petrochemicals

In August 2025, the Company entered into a strategic cooperation agreement with Zhejiang University, starting a new chapter of university-enterprise collaboration. In line with major national strategic needs, both parties will proactively roll out a series of strategic and reserve technology research and development projects to help build a "new engine" for regional development. Leveraging the high-level cooperation platform, Zhejiang University-Rongsheng China Green Petrochemical Innovation Research Institute, both parties will promote deep integration of science, technology, and industry, to build up the "new momentum" for innovation.

In the future, leveraging Zhejiang Province's policy for building the "415X" advanced manufacturing cluster, we will integrate the Company's industrial advantages with Zhejiang University's innovation resources. Together, we will build a hub for pioneering technologies and high-caliber talents in green petrochemicals, underpinning a solid foundation for a globally advanced manufacturing base and contributing to the national "carbon peaking and carbon neutrality" goals.

## Protection of Intellectual Property Rights

The Company strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations. We have developed a string of internal policies, including the *Intellectual Property Management Regulations*, the *Intellectual Property Management Measures*, the *Polyester R&D Project Management Measures* and the *Patents Management Measures*. By conscientiously managing the application, confidentiality and protection of intellectual property rights, we ensure the effectiveness of our policies on intellectual property rights.

The Company places emphasis on the independent protection and compliant use of intellectual property. In terms of internal management, we have established a classified management system for confidential information. New employees are required to sign a *Confidentiality Agreement* upon onboarding, while leavers are subject to a confidentiality clearance process. Additionally, core management and technical staff are subject to non-compete agreements where appropriate. In terms of intellectual property operations, we continuously promote registration, filing, and application for confirmation of rights. In addition, we ensure the legal use of external intellectual property by signing technology licensing or transfer agreements and paying licensing fees on time. The Company prudently regulates the use of patents, emphasizes the management of employees' confidentiality obligations, and strictly controls the risk of disclosing others' trade secrets to third parties. In addition, we regularly conduct targeted training on intellectual property protection to continuously enhance awareness of all employees. We earnestly respect the intellectual property rights of third parties while resolutely safeguarding our own intellectual property rights.

2025

Material intellectual property rights infringement	<b>0</b> case	Valid patents	<b>323</b> pieces
Patent applications	<b>102</b> pieces	Invention patent applications	<b>44</b> pieces
Authorized patents	<b>51</b> pieces	Authorized invention patents	<b>13</b> pieces
		Utility model patent applications	<b>58</b> pieces
		Authorized utility model patents	<b>38</b> pieces

## Enhancing Quality Management

The Company strictly abides by laws and regulations such as the *Law of the People's Republic of China on Product Quality*, the *Interim Measures for the Administration of Supervisory Spot Checks on Product Quality*, and the *Provisions on the Supervision and Administration of the Fulfillment of Primary Quality and Safety Responsibilities by Manufacturers of Industrial Products*. At the group level, we have developed several quality management policies, including the *Product Quality Risk Management Measures*, the *Quality Management Measures for Ex-factory Products* and the *Quality Management Regulations on Production Processes*. Our all-round quality control with high standards and strict requirements covers the entire production process from raw and auxiliary materials entering the factory, through intermediate production process management, to product delivery, packaging, and transportation.

The Company strictly implements our product standards, continuously strengthens our quality control standards against industry benchmarks and carries out production according to superior product indicators. We have set critical quality control nodes at the product design, raw material procurement and production stages. We develop new products and new processes according to market demands and set strict quality evaluation standards for raw material procurement, follow the principle of "Five Non-Closures"<sup>8</sup> in production and improve internal quality monitoring and testing mechanisms for more effective quality control in the process. We ensure our product quality by adopting quantitative assessment methods and setting up key indicators including the rate of qualified incoming raw materials, the rate of qualified semi-finished exports, the rate of qualified outgoing products, and the rate of quality complaints. We actively collect suggestions and feedback from our customers. 100% of our subsidiaries in operation have obtained ISO 9001 Quality Management System certificate. During the reporting period, the Company did not experience any major quality liability accidents related to products and services.

8. "Five Non-Closures": No incident is considered closed until the cause is identified, the responsible personnel are disciplined, rectification measures are implemented, all relevant employees are trained and the claim is settled.



Quality management system certificates granted to the Company and some subsidiaries

### Case: Shengyuan Chemical Fiber's "Lights-out Factory"

Shengyuan Chemical Fiber is committed to developing new quality productive forces. Based on the goals of "green, high-end and intelligent operation", and empowered by core technologies, such as robot clusters, industrial internet and artificial intelligence algorithms, it has achieved full-process intelligent operation from raw material inbound, production procedures, quality inspection, to finished product storage, logistics handling, and loading for shipment, establishing a modern factory capable of continuous operation even in a lights-out environment. The production line of this factory can run uninterrupted throughout the year. By utilizing automatic inspection and anomaly detector, it ensures stable equipment operation and product quality. Moreover, it accurately performs product quality inspection with the help of machine vision and artificial intelligence, with a product excellence rate above 99.5%. At the same time, fewer manual operations enable a reduction in lighting electricity demand by about 70%, and lowered personnel safety risks.



# 05

## Working Together in Harmony for Common Progress

Rongsheng Petrochemical adheres to the development philosophy of people-oriented and win-win cooperation. We proactively listen to and address the concerns and expectations of internal and external stakeholders, working hand in hand with all parties to create value together. The Company values employees' contributions, provides comprehensive support for their professional development, and strives to build a responsible supply chain. These efforts enhance operational efficiency and sustainability, enabling the provision of higher-quality products and services to customers. Meanwhile, the Company actively fulfills its social responsibilities, conveying warmth and demonstrating corporate commitment and accountability through a series of community and public welfare initiatives.



## Protecting Employees' Rights and Interests

### Recruitment and Employment

We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulations on Work-related Injury Insurances*, the *Provisions on the Prohibition of Using Child Labor*, and the *Regulation on the Employment of Persons with Disabilities* and other related laws and regulations. We have developed internal rules and regulations in this regard, including the *Recruitment Management Measures*, the *Human Resources Management Regulations*, and the *Recruitment Handbook*, which are subject to continuous improvement and updating. They standardize the management of recruitment requirements, recruitment channels, recruitment processes, talent evaluation, and others to safeguard the equal employment and the legitimate interests of employees.

In the talent recruitment process, the Company strictly implements standardized hiring procedures and employment criteria, ensuring the published information is authentic, accurate and complete. A strict confidentiality system is applied to job applicants' personal information, effectively safeguarding their legitimate rights and interests. The Company strictly prohibits the employment of child labor and forced labor. We clearly state that no one under the age of 16 shall be recruited, and firmly forbid and reject all types of forced labor. We advocate for a diverse and inclusive workplace culture, treating employees equally regardless of their nationality, ethnicity, race, gender, religious beliefs, or cultural background. We also establish adapted jobs for the disabled to help them realize their professional potential and social contribution. The Company is committed to fostering a healthy and equitable workplace environment, resolutely rejecting any sort of employment discrimination and harassment and safeguarding the legitimate rights and interests of every employee from infringement. In 2025, the Company had no violations in terms of employee hiring.

#### During the reporting period

Total number of employees	Social insurance coverage	Proportion of employees signing labor contracts
<b>19,849</b> persons	<b>100%</b>	<b>100%</b>
Number of male employees	Number of female employees	
<b>15,364</b> persons	<b>4,485</b> persons	
Number of employees aged 30 and below	Number of employees aged 31 to 50	Number of employees aged 51 and above
<b>4,956</b> persons	<b>12,750</b> persons	<b>2,143</b> persons

#### Case: Deepening school-enterprise collaboration to jointly cultivate industry talent

The Company continues to expand its school-enterprise collaboration network, jointly establishing internship bases with higher education institutions to promote systematic talent cultivation. The Company has accepted interns from Zhejiang University and East China University of Science and Technology and also the faculty and student visitors from institutions such as Harbin Institute of Technology and Zhejiang Sci-Tech University. This allows us to identify university talent in advance, ensuring precise alignment between talent reserves and employment requirements.

## Remuneration and Benefits

The Company has developed the *Rules for Implementation of Employee Remuneration Accounting and Payment* and the *Management Measures of Employees Insurance* and other remuneration and benefit regulations. The Company duly pays employee wages, makes mandatory social insurance contributions, and distributes annual performance-based bonuses in accordance with the Company's performance evaluation framework. The Company conducts annual peer compensation assessments and research, making every effort to provide employees with competitive remuneration and benefits, so as to enhance the Company's attractiveness and retain talents. In addition to statutory benefits such as "five insurances and one housing fund" and holidays, we provide a diversified combination of benefits and subsidies to enhance employees' sense of happiness and satisfaction based on the *Employee Welfare Measures* and other policies.

2025

Expenditure on company-funded physical examination  
RMB **5.68** million

Expenditure on holiday gifts for employees  
RMB **13.23** million

### Types of benefits for Rongsheng Petrochemical employees

#### Health

- We provide physical examinations for employees and deliver mental health lectures.

#### Communications

- We subsidize employees' communication costs.

#### Leaves

- We provide adequate parental leaves for female employees during pregnancy, maternity, and breastfeeding, as well as paternity leave for male employees;
- We provide employees with holiday allowances and gifts.

#### Transportation

- We provide shuttle bus and other services for employees.

### Education

- We set up a reading room;
- We invest in schools for the children of non-local employees.

### Canteen and dormitory

- We provide free work meals and meal subsidies for employees;
- We construct employee apartments and staff buildings, and provide rental subsidy and interest-free loan for house purchase.

### Caring

- We provide high-temperature allowances to employees and visit families in difficulties.

#### Case: On-site free medical consultation for employees

In May 2025, the Company invited a professional medical team from Xiaoshan District Hospital of Traditional Chinese Medicine to conduct an on-site free medical consultation event themed "Bringing Health to the Workplace, Spreading Care with Warmth". The team offered seven types of services, including traditional Chinese medicine (TCM) internal medicine, orthopedics, acupuncture, cupping, and rehabilitation and physical therapy, alongside health consultations and complimentary herbal tea. Experts conducted pulse diagnosis and medical inquiries to provide personalized health guidance tailored to each employee's condition, thereby conveying the Company's care through professional services and receiving widespread acclaim from employees.



On-site free medical consultation

## Employee Communication

The Company strives to build equal, diverse, and smooth communication channels for employees. The Company has established a labor union and holds the employee representative meeting annually to discuss employees' concerns and collect their opinions and demands. This enables the participation of employees, and therefore ensures democratic decision-making. We have built a bridge between employees and management through the 900123 employee hotline, online employee communication group, satisfaction survey and other communication channels, which enable us to address employees' issues and help them solve problems in a timely manner.

## Talent Development

The Company values the personal development of its employees, and has established a robust career development system to evaluate the work performance of employees in a scientific and fair manner. The Company has formulated several career development and appraisal documents, including the *Appraisal Measurements for Management and Technical Personnel* and the *Job Appraisal Instructions for Front-line Employees*. The direct leaders of each department conduct the regular appraisal and annual appraisal to evaluate the performance of employees comprehensively and reasonably. The high-performing employees are rewarded shortly after the appraisal.

The Company categorizes employees as professional and management and provides them with appropriate career paths based on their capabilities, to maximize their strengths. The professional career path is divided into the categories of engineering technology and functional support. Meanwhile, corresponding management positions are arranged on the management career path to support professional positions and enable collaboration across different career paths. Within the two career paths (management + professional), the Company adjusts employees' promotion every year based on business operation and employee appraisal to establish diversified career development pathways. The Company selects employees for some positions through internal recruitment process, including internal job posting, resume screening, professional ability test, comprehensive quality interview, background check, and public announcement of the employment results. These steps ensure the suitability of employees for the positions and the fairness and transparency of the selection process, thereby further expanding opportunities for employee growth and development.

In order to improve the professional competitiveness of employees, promote their career development and enhance the core competitiveness of the Company, the Company and its subsidiaries have applied for and obtained the qualification for independent certification of vocational skills. The certificates of vocational qualifications issued by the Company are widely recognized by all positions of the petrochemical and chemical fiber industries in China. Therefore, employees' skills are obviously improved, which lays a solid foundation for the sustainable development of the Company. We provide training to employees according to the business development needs of each sector of the Company. In 2025, the Company steadily advanced the establishment of a points-based training system for pre-job qualification certification, continuously improved the "Rongsheng Learning and Testing Platform", an online training platform. Moreover, the Company implemented routine training initiatives such as qualification certification training programs, employee development initiatives, and internal training sessions.

### Job qualification training

The system has been preliminarily established, with a total of 2,859 basic-level courses and 2,858 supporting question banks developed. These materials are available now on the "Rongsheng Learning and Testing Platform" for employees to access and use for learning purposes.

### Routine training initiatives

The Company conducted qualification certification training programs, with a total of 4,602 attendances for the year, ensuring that key positions are staffed by certified personnel. The Company also implemented employee development training initiatives to enhance employees' professional and comprehensive skills, with 1,996 attendances. Additionally, the Company organized 3,528 internal training sessions to systematically strengthen the overall capabilities of the workforce.

**Professional team development**

The Company organized a series of activities including high-potential talent forums, artificial intelligence (AI) office efficiency enhancement training, and a corporate legal compliance promotion month. These initiatives aim to foster talent exchange, improve AI application capabilities, and strengthen compliance awareness.

During the reporting period

Total investment in employee training <sup>9</sup>	Attendances in employee training <sup>9</sup>	Total number of employee training hours <sup>9</sup>
RMB <b>3.74</b> million	<b>324,753</b> attendances	<b>3,612</b> hours

**Case: Rongsheng Petrochemical won multiple vocational skills awards**

In 2025, the subsidiaries of Rongsheng Petrochemical endeavored to improve the skills of their employees, and received several honors:

Sun Jianjiang's Electrical Maintenance Master Studio of Rongxiang Chemical Fiber was recognized as a Hangzhou Skill Master Studio.

ZPC's employees participated in the Zhejiang Provincial Work Safety Vocational Skills Competition and won the second group prize.

ZPC's employees participated in the Yangtze River Delta Region Chemical Industry Special Competition and won the third group prize in the Central Control Operators for Chemical Production category.

ZPC's employees participated in the Zhoushan City Skills Competition of the Central Control Operators for Chemical Production, and won the first and second individual prize.

Zhongjin Petrochemical's employees participated in the Yangtze River Delta Chemical Industry Special Vocational Skills Competition, and won the first group prize in the Central Control Operators for Chemical Production category, as well as the first and second individual prize in the same category. They also won the excellence award in the Chemical Inspector category.



Zhongjin Petrochemical's employees engagement in the Yangtze River Delta Chemical Industry Special Vocational Skills Competition

9. The Company's total investment in employee training, attendances in employee training, and total number of employee training hours in 2025 are from the statistics of Rongsheng Holding.

**Care for Employees**

The Company has set up assistance funds to provide employees with timely assistance when they are affected by disasters, serious illnesses, and financial difficulties. In this way, we alleviate difficulties caused by special reasons when our employees are in need. Also, the Company pays close attention to the needs of female employees and actively provides them with care, support and assistance, aiding them in achieving their career aspirations. For retired long-serving employees, we award them with customized silver coins as a token of appreciation and souvenir, in addition to the statutory employee benefits and entitlements. To create a heartwarming and harmonious enterprise, we put ourselves in the shoes of employees and strive to provide what they truly need.

We also provide a rich variety of cultural activities for all employees. This enhances cohesion among employees, helps them relieve stress, and guides them to face their daily life and work with a positive and relaxed attitude. The Company organized various activities for employees in 2025:

01 On Women's Day, the Company sent gifts to all female employees to thank them for their contributions to the development of the Company.

02 For the Mid-Autumn Festival, the Company thoughtfully prepared festive mooncakes for all employees to express sincere appreciation for their dedication and extend warm wishes.

03 When the heat in summer got intense, the Company organized a series of consolation activities to send cooling beverages and fruits to employees who worked in the high temperature.

04 The Company organized cultural and sports events such as chess competitions, tug-of-war and group film screenings, as well as festival activities, including making osmanthus cakes for the Mid-Autumn Festival and crafting mugwort sachets for the Dragon Boat Festival. Mugwort sachets are aromatic pouches filled with mugwort to ward off evil spirits.

**Case: Dragon Boat Festival handicraft activity at Rongsheng Petrochemical**

As the Dragon Boat Festival approached in 2025, the Company organized a handicraft activity titled "Deep Affection for the Festival, Enduring Fragrance of Mugwort", engaging employees in crafting traditional mugwort sachets and five-colored silk cords (symbolic threads worn for health and safety during the festival). Through this immersive experience of authentic folk customs, the activity promoted Chinese traditional cultural heritage and enhanced employees' sense of belonging and team cohesion.



Dragon Boat Festival handicraft activity at Rongsheng Petrochemical

## Striving for High-Quality Services

The Company always centers on customers, continues to improve the service management system, and actively responds to their various demands. We improve customer service quality and efficiency in multiple dimensions, strictly protect customer privacy and information security, to improve customer satisfaction.

### Customer Services

We are dedicated to carrying out customer management in a standardized and effective manner, and have developed customer management measures according to our business attributes and customer characteristics, maintaining regular and close contact with customers. Rongsheng Petrochemical has formulated the *Detailed Rules for the Implementation of Price Management of Polyester Products* and the *Detailed Rules for the Implementation of Rebate Management of Polyester Products to standardize product pricing methods*. The Company has formulated the *After-Sales Service Management Measures* to standardize the after-sales service management process and improve customer satisfaction. We have established multi-level and diverse customer service communication channels such as communication with business representatives, field visits, face-to-face talks, online questionnaires, telephone, WeChat and email. In this way, the Company may communicate more frequently with its customers in detail in the event of changes in plant operations, market conditions, and other circumstances.

Attaching great importance to customer complaints and feedback, the Company strives to keep effective complaint channels, optimize the complaint mechanism, strengthen complaint analysis to handle customers' requests in a timely manner, and actively investigate for the cause and conduct rectification. For the problems reported by the customers, the front-line business personnel and professional technicians cooperate to ensure that the complaints are 100% handled. Meanwhile, the Company regularly conducts customer satisfaction surveys. For different customer groups who purchase various products, we design differentiated questionnaires that cover aspects such as product quality, product delivery, service quality, and complaint handling, in an effort to obtain customers' opinions and suggestions. The Company closely monitors and tracks the complaints and suggestions received, and formulates measures to address them, thereby continuously improving the quality of its products and services.

### Sales Management

The Company has developed sales management systems and measures such as the *Marketing Management System*, the *Sales Management System*, the *Detailed Rules for the Implementation of Price Management*, the *Detailed Rules for the Implementation of Control of the Sales Operation Process* and the *After-Sales Service Management Measures*. By implementing these systems and measures, we guide and constrain the entire sales process.

The Company has established an e-commerce platform for material procurement and sales, along with an order management center. Customers can place sales orders, check relevant announcements and keep up with market information through the platform, WeChat official account, and WeChat mini-program. The platform operates on the principle of competitive bidding for materials transactions and automatically matches deals through electronic bidding, which can run in multi channels 7/24 and allow real-time monitoring. It breaks the limitations of transaction time, location, and operating methods, making customer procurement more convenient, doubling the manual efficiency, achieving a 700% increase in auction sales, and thus reducing the centralized procurement cost. In 2025, the turnover of products through the platform was about 4.83 million tonnes, and the procurement of logistics services was about RMB 1.76 billion.

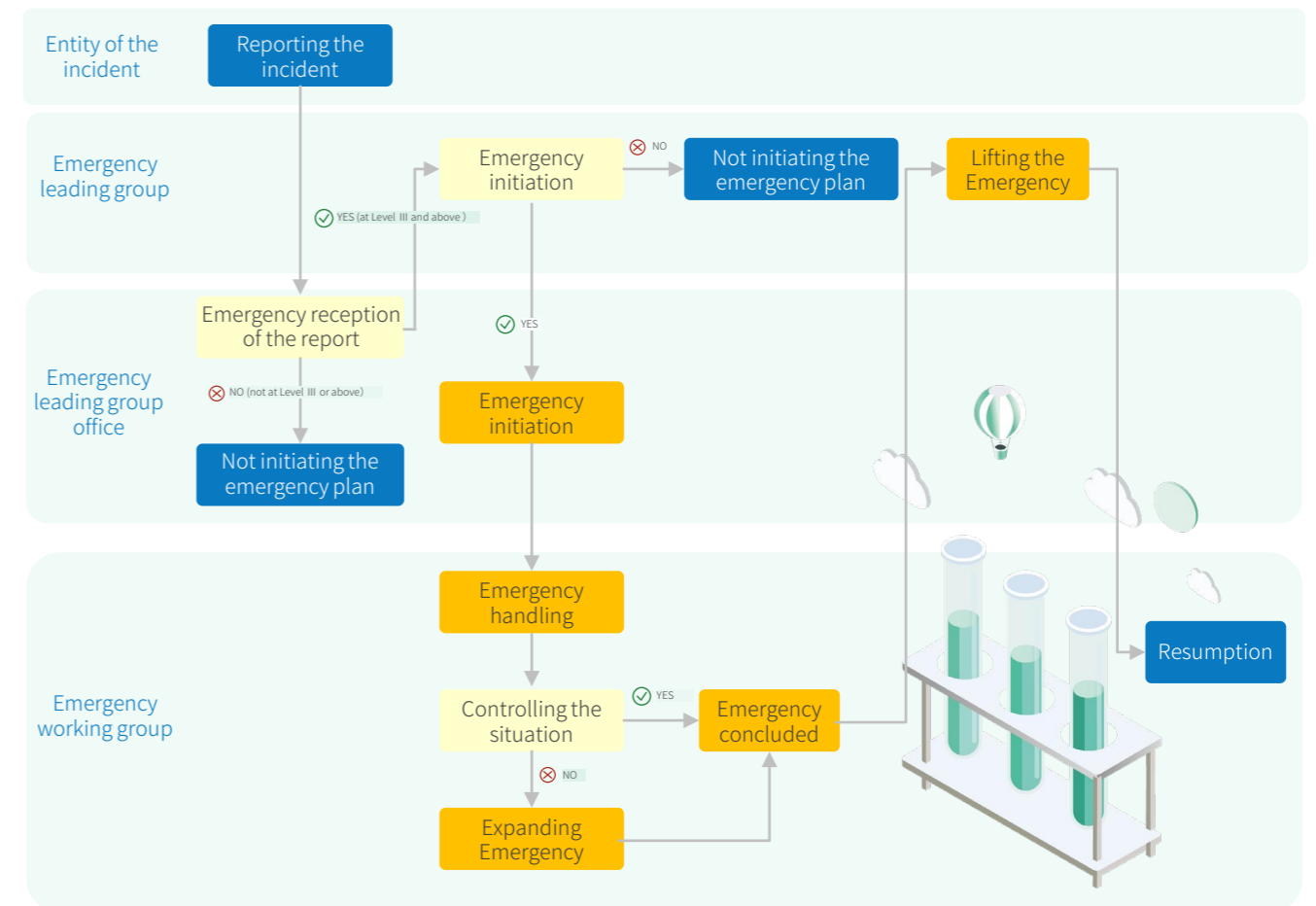
The Company pays close attention to product price information, strengthens market research, and promptly adjusts the sales strategy according to market changes to continuously meet market demands. The Company has also established well-organized files of customer credit. We pay attention to changes in customer credit and take effective measures to manage and control customer credit risks. To improve the overall ability of our sales personnel, we organize workshops where they can learn about the performance of product equipment, usage scenarios, production processes and other details. This allows them to provide more professional product introductions to customers. In addition, the Company conducts various forms of training for sales personnel to enhance their professional ability and business ethics, such as orientation training, and integrity and self-discipline training.

## IT Construction

The Company actively promotes IT construction and enhances the awareness of information security and confidentiality. In compliance with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*, as well as internal systems and policies including the *Information Security Management System*, the *IT Management Regulations*, the *Management Measures for Office IT Systems*, and the *IT Emergency Response Plan*. We carry out the security management of computer equipment, data, system operation and IT system access authority, customer privacy protection, and other work, and standardize IT emergency responses, with an attempt to continuously improve our ability to protect information security. To protect customer privacy data, we have strengthened data security safeguards through measures such as deploying network security devices, encrypting data transmission channels, and implementing real-time data backups. We have also taken complementary actions, such as creating data security emergency response plans, conducting regular data recovery drills, and performing vulnerability scanning and patching.

The Company offers mandatory courses on *Network Security Training* for employees, arranges tests for employees in positions related to information security management, and requires relevant employees and software service providers to sign the *Confidentiality Agreement*. We also enter into cybersecurity service contracts with external cybersecurity service providers to reinforce our information security defenses.

In 2025, the Company did not experience any information security incidents, or any incidents of customer privacy leakage.



## Practicing Responsible Sourcing

The Company is committed to establishing a responsible supply chain, enhancing the compliance management of suppliers, and optimizing the supplier management process. We maintain an equal, mutually beneficial, close, and stable cooperative relationship with excellent suppliers, and work with suppliers to create a positive, clean, transparent, and responsible supply chain ecosystem.

The Company strictly abides by the *Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of the Bidding Law of the People's Republic of China* and other laws and regulations. We have established and improved internal systems and measures for tendering, sourcing, and supplier management, including the *Detailed Rules for the Implementation of Tendering and Bidding Management* and the *Regulations on the Management of Suppliers*. We continue to standardize suppliers' risk control mechanism and optimize the supplier bidding mechanism, supplier access system and suppliers performance evaluation mechanism, and ensure compliance in the whole process of bidding, sourcing, acceptance and payment, to realize the fairness, openness, and transparency of bidding and procurement, and prevent illegal sourcing. The Company places great emphasis on managing supply chain risks. We strictly adhere to the Group's procurement management system and procures materials according to the production and maintenance plan based on technical requirements. The Company, based on the procurement cycle of materials, clarifies the arrival time and requisition time of the required materials for planned requisition, so as to prevent supply disruption caused by materials shortages during production. In addition, the Company actively seeks out high-quality domestic suppliers to conduct trials and usage of domestic materials, thereby reducing the risk of monopoly by foreign materials suppliers.

### Review and Access

The Company has formulated a strict supplier access process, based on which the information of suppliers, including supplier performance, quality management, work safety, environmental protection and contract performance, is reviewed thoroughly to ensure the product and service quality of suppliers. The Company takes environmental protection as an essential consideration for the selection of suppliers and learns about the suppliers' performance on fulfilling their responsibility in environmental protection. The Company strictly prohibits cooperation with suppliers with a history of major environmental pollution penalty and prioritizes the suppliers with better environmental performance.

The *Regulations on the Management of Suppliers of the Company* specifies the supplier access and management process: the Company has categorized the supplier access criteria as general and special criteria according to the applicability of related business, and performs qualification checking and verification for new suppliers requesting for joining the supplier database. All suppliers will be categorized into the blacklist, greylis and whitelist according to the results of qualification review and transaction evaluation.

To address the corruption related to suppliers, the Company signs the *Letter of Integrity Responsibility and Commitment* with suppliers and adds a clause on the prohibition of commercial bribery, which clearly requires both parties to strictly abide by the anti-commercial bribery laws. The Letter prohibits commercial bribery in contract discussion, negotiation, signing, fulfilment and other processes, and clearly lists the reporting channels and handling departments.

### Assessment and Evaluation

The Company conducts a supplier evaluation at least once a year, which covers topics such as delivery quality, delivery time or progress, after-sales service, and HSE. The evaluation results are classified into four levels from high to low: A, B, C, and D, based on which three types of supplier lists, namely the blacklist, the greylis, and the whitelist, are formed. For blacklisted suppliers, the Company will terminate business with them. For greylis suppliers, the Company will put forward rectification requirements or set cooperation restrictions. The Company's contracts with suppliers include requirements on business ethics, environmental protection, and safety. We urge suppliers to comply with and implement such requirements, and incorporate related requirements into the follow-up evaluations of suppliers. The Company regularly publishes a list of untrustworthy suppliers and refuses to cooperate with them.

## Communication and Assistance

Through telephone calls, video conferences, on-site inspections and other methods, the Company maintains good communication with its suppliers in order to understand the price trend of their upstream raw materials, as well as their shutdown and overhaul plan, sales direction and changes in sales volume. By doing so, we can forecast the subsequent trend of procurement prices and update the procurement plan. Meanwhile, we make targeted improvement suggestions for suppliers based on our use of their products. When necessary, we actively provide relevant technical guidance or training to suppliers.

The Company actively supports the development of local suppliers by prioritizing the procurement of local tea, pottery, and silk products, and promotes agricultural products from local and poverty-stricken areas. We provide local suppliers with product trial opportunities. Suppliers whose products successfully pass qualification testing are then invited to participate in the Company's tender process.

The Company treats small and medium-sized enterprises (SMEs) fairly, fostering a favorable environment for cooperation and development, and ensuring that all payables are settled on time. As of the end of the reporting period, the balance of the Company's accounts payable (including notes payable) was RMB 60.8 billion, accounting for 15.72% of the Company's total asset. For details, see the Company's *2025 Annual Report*. The Company does not have any overdue payments, nor does it have any overdue payments to SMEs.

## Building a Better Community

Guided by the principle of "Loyalty to the Party and a Thriving Enterprise for the People", the Company advocates for public welfare, actively organizes charity donations and shares development achievements with the society. The Company mainly focuses on school-enterprise cooperation, education assistance, medical assistance, support-oriented procurement, poverty relief and care for disadvantaged groups and encourages employees to participate in various volunteering activities, including blood donation and on-site visits. The employees carry forward the volunteering spirit and continue to promote the healthy development of public welfare undertakings and the community, and actively spread civilized and harmonious social trends. In 2025, the Company received honors such as the Institutional Donation Award under the 8th "Zhejiang Charity Award", "Outstanding Contributor for Charitable Donations in Xiaoshan District", and "Advanced Unit for Voluntary Blood Donation in Xiaoshan District".

During the reporting period

Public welfare donation  
RMB **15.66** million

Rural Revitalization Investment Amount  
RMB **3.16** million

Duration of volunteer activities  
**500** hours



Inauguration Ceremony of the "Rongsheng Eaglet Venture Capital Fund"



Employees actively participated in the blood donation drive



Rongsheng Education Award Fund motivates outstanding teachers and students

### Education Assistance

- Rongsheng Education Reward Fund has been in operation for 23 consecutive years. In 2025, the Company issued an education reward fund of RMB 1 million, which meant that the accumulative amount of the fund reached RMB 19.15 million, and a total of 5,440 outstanding teachers and students were rewarded.
- The Xingzhi Educational Support Initiative organizes the Xingzhi Class for Xingzhi Students (those covered by the Xingzhi Program). The initiative has a motto of "Practicing with Diligence and Studying Hard to Realize Dreams". Through this initiative, we supported 100 underprivileged high school students and invested RMB 1.2 million.
- We donated RMB 800,000 to the "Supporting Students in Chasing Dreams" scholarship program for 100 underprivileged university students, helping economically disadvantaged students realize their campus dreams.

### Rural Revitalization

- We donated RMB 200 million as a named endowment fund to the Charity Federation of Xiaoshan District. This year, over RMB 200,000 of the donation was allocated to support poverty alleviation in villages, as well as ongoing regular public welfare assistance activities.
- We collaborated with Qunying Village to co-create a Party-building brand, sharing cultural and "elderly and youth" services and deepening village-enterprise cooperative development.
- We prioritized hiring local residents and individuals with disabilities. Together, we advanced infrastructure projects such as the "Four-Good Rural Roads" initiative to optimize commuting and employment services.
- We collaborated with a town government to upgrade the Common Prosperity Workshop in Jiulian Village, and established the "Rongsheng Young Eagle Entrepreneurship Fund", along with a mentor team, to support youth entrepreneurship.
- We donated RMB 600,000 to the Yinong Town College Student Entrepreneurship Fund to support university students in starting their own businesses.

### Medical Assistance

- We have established the "Health Care Fund for Yinong". We use the fund to hire provincial, municipal and district medical specialists from various disciplines to provide year-round medical care in the town at various periods, and support local health centers to increase the number of ambulances to serve local residents and assist families or individuals hit by serious illnesses in Yinong. In 2025, we donated RMB 1.5 million to the Health Care Fund for Yinong.
- We participated in the public health initiative, "Caring for Teeth, Nurturing Oral Health – A Future Full of Smiles in Xiaoshan", with a special donation of RMB 200,000. This donation is earmarked for a targeted oral healthcare assistance program to help disadvantaged groups improve their oral health.
- We donated RMB 100,000 to the Xiaoshan Red Cross Society to support the enhancement of regional public health services.

### Community Care

- We donated RMB 500,000 to provide care and support to police officers and auxiliary police personnels in Xiaoshan District who are experiencing financial hardship.
- We donated RMB 300,000 to support the critical illness medical assistance program for economically disadvantaged veterans.

#### Case: Grant distribution event for the "Double Hundred Students" initiative

In August 2025, the Company, in collaboration with the Xiaoshan District Government, organized a grant distribution event for the "Double Hundred Students", providing need-based students grants to 100 high school students in the Xingzhi Class and 100 university freshmen from economically disadvantaged families. The Company donated to Xingzhi Class to support 100 financially disadvantaged high school students, with a total investment of RMB 1.2 million. It also supported 100 financially disadvantaged university students, with a total investment of RMB 600,000.

The Company has been deeply committed to educational public welfare for over two decades, with cumulative educational donations exceeding RMB 80 million, continuously leveraging corporate strength to empower students' growth and promote educational equity and social development.



The grant distribution event for the "Double Hundred Students"

## Future Prospects

With resolve and momentum, we are moving forward into a new chapter of growth. As we look ahead to the new chapter of the "15th Five-Year Plan" period, we will closely align with national strategic priorities, remain committed to the real economy, and resolutely advance the development of new quality productive forces. We will reinforce the refining and chemical integration and optimize the layout of industrial and supply chains. We will also improve quality and increase efficiency by leveraging digital and intelligent technologies, advancing sustainable development through green and low-carbon transformation. Additionally, we will increase investment in core technology research and development, striving for breakthroughs in critical refining and chemical technologies. These efforts are expected to deepen the integration of technological innovation with industrial upgrading, and accelerate the development of a modern industrial system. As a key participant in the petrochemical industry, a pillar industry of the national economy, we will maintain a strong sense of responsibility and commitment. Upholding integrity as our core value, we will continuously improve product and service quality and diligently fulfill our social responsibilities. Through sound operations, we will deliver sustainable value to shareholders and investors, and contribute to the sustainable development of the economy and society. We will collaborate with all stakeholders to harness collective strength, deepen partnerships and foster emerging industrial clusters. Together, we will contribute meaningfully to industry prosperity and the realization of national development goals under the "15th Five-Year Plan".

## ISO System Certification Statistics of the Company

Company name	ISO 50001 Energy Management System Certification	ISO 14001 Environmental Management System Certification	ISO 45001 Occupational Health & Safety Management System Certification	ISO 9001 Quality Management System Certification
Rongsheng Petrochemical Co., Ltd		✓	✓	✓
Zhejiang Petroleum & Chemical Co., Ltd	✓	✓	✓	✓
Ningbo Zhongjin Petrochemical Co., Ltd	✓	✓	✓	✓
Yisheng Dahua Petrochemical Co., Ltd.	✓	✓	✓	✓
Zhejiang Yisheng New Materials Co., Ltd.	✓	✓	✓	✓
Zhejiang Shengyuan Chemical Fiber Co., Ltd.		✓	✓	✓
Zhejiang Yongsheng Technology Co., Ltd.		✓	✓	✓



# Independent Assurance Report

## Independent Assurance Report

*English Translation for Reference Only*

### Independent Practitioner's Limited Assurance Report

毕马威华振通字第 2600301 号

To the Board of Directors of Rongsheng Petrochemical Co., Ltd.:

#### Report on selected information in Rongsheng Petrochemical Co., Ltd.'s Sustainability Report as of and for the year ended 31 December 2025

#### Conclusion

We have performed a limited assurance engagement on the following information in Rongsheng Petrochemical Co., Ltd. (hereafter referred to as "Rongsheng Petrochemical") Sustainability Report as of and for the year ended 31 December 2025 (hereafter referred to as "the assured sustainability information"):

The assured sustainability information	Point in time or period subject to assurance
Total GHGs emission (tonnes CO <sub>2</sub> -equivalent)	For the year ended 31 December 2025
GHGs emission Scope 1 (tonnes CO <sub>2</sub> -equivalent)	For the year ended 31 December 2025
GHGs emission Scope 2 (tonnes CO <sub>2</sub> -equivalent)	For the year ended 31 December 2025
Sulphur dioxide emission (tonnes)	For the year ended 31 December 2025
Nitrogen oxides emission (tonnes)	For the year ended 31 December 2025
Particulate matter emission (tonnes)	For the year ended 31 December 2025
Chemical Oxygen Demand (COD) (tonnes)	For the year ended 31 December 2025
Ammonia and nitrogen (tonnes)	For the year ended 31 December 2025
Hazardous waste (tonnes)	For the year ended 31 December 2025
Electricity purchased (mWh)	For the year ended 31 December 2025
Steam purchased (GJ)	For the year ended 31 December 2025
Desalination (tonnes)	For the year ended 31 December 2025
Total number of employees (persons)	As of 31 December 2025
Total duration of safety training (hours)	For the year ended 31 December 2025

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the assured sustainability information of Rongsheng Petrochemical as of and for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with Criteria set out in the appendix to this report.

Our conclusion on the assured sustainability information does not extend to any other information that accompanies or contains the assured sustainability information and our report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

#### Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Restriction on use

This report is made solely to the Board of Directors of Rongsheng Petrochemical, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

#### Responsibilities of the Board of Directors for the assured sustainability information

The Board of the Rongsheng Petrochemical are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured sustainability information such that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured sustainability information and appropriately referring to or describing the criteria used; and
- preparing the assured sustainability information in accordance with the Criteria set out in the appendix to this report.

#### Inherent limitations in preparing the assured sustainability information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

### Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured sustainability information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to you.

#### *Summary of the work we performed as the basis for our conclusion*

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured sustainability information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured sustainability information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Conducting interviews with relevant staff at Rongsheng Petrochemical who are responsible for providing assured sustainability information;
- Performing analytical review procedures on assured sustainability information;
- Inspecting the assured sustainability information on a sample base;
- Recalculating of the assured sustainability information;
- Performing other procedures we deemed necessary.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Huazhen LLP

Beijing, China

April 27, 2026

### Appendix: Compilation and Reporting Basis of the assured sustainability information

#### **GHG emissions (tonnes CO<sub>2</sub>-equivalent)**

GHG emissions disclosed herein refers to the sum of GHG emissions Scope 1 and GHGs emission Scope 2 of Rongsheng Petrochemical's production and operation subsidiaries in 2025, under financial control approach.

#### **GHG emissions Scope 1 (tonnes CO<sub>2</sub>-equivalent)**

GHG emissions Scope 1 disclosed herein refers to the sum of direct GHG emissions from fuel combustion, process emission, and other sources produced by Rongsheng Petrochemical's production and operation subsidiaries, minus the total of carbon dioxide captured and reused during production process in 2025.

#### **GHG emissions Scope 2 (tonnes CO<sub>2</sub>-equivalent)**

GHG emissions Scope 2 herein refers to the sum of indirect GHG emissions resulting from electricity purchased (location-based method) and steam purchased by Rongsheng Petrochemical's production and operation subsidiaries in 2025.

#### **Sulphur dioxide emission (tonnes)**

Sulphur dioxide herein refers to the emission of sulphur dioxide included in the scope of key emission permits management for Rongsheng Petrochemical's production and operation subsidiaries in 2025.

#### **Nitrogen oxides emission (tonnes)**

Nitrogen oxides herein refers to the emission of nitrogen oxides included in the scope of key emission permits management for Petrochemical's production and operation subsidiaries in 2025.

#### **Particulate matter emission (tonnes)**

Particulate matter herein refers to the amount of particulate matter included in the scope of key emission permits management for Rongsheng Petrochemical's production and operation subsidiaries in 2025.

#### **Chemical Oxygen Demand (COD) (tonnes)**

Chemical Oxygen Demand (COD) herein refers to the COD of wastewater discharged into the municipal pipeline network by Petrochemical's production and operation subsidiaries in 2025.

#### **Ammonia and nitrogen (tonnes)**

Ammonia and nitrogen herein refers to the Ammonia and nitrogen of wastewater discharged into the municipal pipeline network by Petrochemical's production and operation subsidiaries in 2025.

**Appendix: Compilation and Reporting Basis of the assured sustainability information (Continued)**

**Hazardous waste (tonnes)**

Hazardous waste herein refers to the total weight of hazardous waste produced and disposed by Rongsheng Petrochemical and its holding production and operation enterprises in 2025.

**Electricity purchased (mWh)**

Consumption of purchased electricity herein refers to the purchased electricity used by Rongsheng Petrochemical's production and operation subsidiaries in 2025.

**Steam purchased (GJ)**

Consumption of purchased steam herein refers to the purchased steam used by Rongsheng Petrochemical's production and operation subsidiaries in 2025.

**Desalination (tonnes)**

Desalination herein refers to the total amount of water produced by Rongsheng Petrochemical's production and operation subsidiaries in 2025 through their own seawater desalination equipment.

**Total number of employees (persons)**

Total number of employees herein refers to the total number of employees in Rongsheng Petrochemical and its controlled subsidiaries as of 31 December 2025, including rehired retirees but excluding dispatched employees, interns, temporary workers and affiliated personnel.

**Total duration of safety training (hours)**

Total duration of safety training herein refers to the total duration hour of safety training that employees of Rongsheng Petrochemical's production and operation subsidiaries participated in 2025.

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Note: According to our assessment, the issue "Ethics of science and technology" is not material in respect of both finance and impact.

# Readers' Feedback Questionnaire

Thank you very much for spending time in reading Rongsheng Petrochemical Sustainability Report 2025. Your opinions and suggestions are welcome since they can help us provide more valuable information to you and other stakeholders and promote Rongsheng Petrochemical to improve its social responsibility management capabilities and performance. You may contact us by sending E-mail to the following mailbox:

Email: [rspc@rong-sheng.com](mailto:rspc@rong-sheng.com)

Which category of stakeholders do you belong to?

- Government and regulator  Shareholder and investor  
 Customer  Employee  Supplier/partner  
 Community  Media and NGO  Other ( )

In your opinion, does the report completely present Rongsheng Petrochemical's ESG performance?

- Yes  Average  No

In your opinion, has the report answered the expectations and demands of Rongsheng Petrochemical's stakeholders in all aspects?

- Yes  Average  No

Do you find the quantitative information disclosure in the report objective, true, and valid?

- Yes  Average  No

Do you find the writing of the report clear and easy to understand?

- Yes  Average  No

Is the graphic design of the report helpful to you in understanding the information in the report?

- Yes  Average  No

Do you have more opinions and suggestions for Rongsheng Petrochemical's social responsibility management and sustainability report?

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