



九天化工集团有限公司
JIUTIAN CHEMICAL GROUP LIMITED

Sustainability Report
2023



ROOTED
IN STRENGTH

Table of Contents

1. Highlights	1
1.1 Corporate profile	1
1.2 Message to stakeholders	2
1.3 Scope of sustainability report	4
1.4 Internal review	4
1.5 Sustainability contact	4
1.6 Restatements	5
2. Our Approach to Sustainability	7
2.1 Sustainability organisational structure	7
2.2 Sustainability strategy	8
2.3 Consulting our stakeholders.....	8
2.4 Sustainability materiality.....	10
3. Our performance	11
3.1 How we measure our performance	11
3.2 Quality management	13
3.3 Production safety	16
3.4 Environmental protection	19
3.5 Employee well-being	25
Appendix A: Sustainability scorecard	28
Appendix B: GRI content index	31
Appendix C: Methodologies and Data Boundaries	34
Appendix D: TCFD recommendations content index	36

This report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this report, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

1. Highlights

1.1 Corporate profile

Jiutian Chemical Group Limited (九天化工集团有限公司) ('**Jiutian**' or the '**Company**'), together with its subsidiaries (the '**Group**'), are engaged in the manufacturing and production of dimethylformamide ('**DMF**') and Methylamine ("**MA**") in the People's Republic of China ('**PRC**'). We are also involved in the processing and sale of consumable carbon dioxide and oxygen.

The business is divided into three main business divisions:

- DMF division produces DMF as its main product and MA as our secondary product;
- Sodium Hydrosulfite division produces Sodium Hydrosulfite; and
- The gas division produces consumable carbon dioxide.

We stand as the largest professional production base for mixed MA and DMF in the central and western regions of China. We specialize in the production of mixed MA and DMF, with an annual production capacity of 150,000 tons for mixed MA and 150,000 tons for DMF, distributed across two production units. Additionally, we are in the final stages of finalizing an expansion plan to add 100,000 tonnes of capacity for MA. Commercial production is expected to commence in the second quarter of FY2024.

We are situated in Henan Province, China, an area experiencing rapid economic development and industrialisation. The inland shift of industrialisation to regions like Henan, by lower costs of labour, land, and raw materials, has led to the establishment of numerous factories, driving demand for chemicals like DMF and MA. As the primary DMF producer within a 500km radius in Henan Province, we are strategically positioned to capitalise on this trend.

Moreover, our location in the PRC's Coal Belt provides us with a cost advantage, given our secure and cost-effective access to coal-based raw materials crucial for our product manufacturing. Our efficient production processes, coupled with a streamlined supply chain management strategy, including direct piping of raw materials from our main supplier, further enhance our competitiveness.

Henan Province's strategic positioning on the Beijing-Guangzhou railway, with Zhengzhou boasting one of Asia's largest railway stations, serves as a logistics hub for cargo transportation. This advantageous location contributes to the reduction of transportation and distribution costs for our products. Our customer base in China spans Henan and surrounding provinces (Hebei, Shaanxi, Shanxi, Hubei, Shandong, and Anhui), as well as provinces in the Yangtze Delta Region (Jiangsu and Zhejiang).

Some of our customers are manufacturers of downstream products that use MA and DMF, while others, especially those located further away in the Yangtze Delta Region, are trading as an intermediary that distributes these chemicals to customers that use these chemicals in their manufacturing processes.

The Company is certified for its quality management system, environmental management system, and occupational health and safety management system.

Jiutian is currently listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ('**SGX-ST**') under the stock code C8R.

1.2 Message to stakeholders

On behalf of the Board of Directors of Jiutian Chemical Group Limited, I am pleased to present the Sustainability Report ('SR') for the financial year ended 31 December 2023 ('FY2023').

As a leading producer of DMF and MA in China, Jiutian is primed to take a leadership role in Environmental, Social and Governance ("ESG") practices, ensuring the enduring sustainability of our operations and meeting our responsibilities to stakeholders. Our commitment remains steadfast as we actively engage in constructive dialogues with stakeholders, focusing on four key pillars: Quality Management, Production Safety, Environmental Protection, and Employee Well-being.

Recognizing the Chinese government's heightened emphasis on environmentally friendly industrial practices, we understand the necessity of staying abreast of evolving regulatory frameworks. In response, we are dedicated not only to aligning with but surpassing these standards, thus elevating our operations to new levels of environmental responsibility. This proactive stance positions Jiutian on a trajectory of sustainable growth, symbolizing our dedication to excellence across all aspects of our operations.

Our Performance

The year 2023 presented challenges, with economic headwinds impacting China's recovery from the COVID-19 pandemic and facing inflationary pressures in the United States. Geopolitical conflicts and emerging competitors in the Chinese market further complicated the business environment. In response to these multifaceted challenges, strategic measures were implemented, including optimising production volume and nurturing strategic supply relationships with longstanding customers to maintain market share. Despite these efforts, FY2023 concluded with a net loss, deviating from three consecutive years of profitability since FY2020. Looking ahead, the business landscape is anticipated to remain challenging for FY2024. To sustain competitiveness, the Group has unveiled plans to embark on a synthetic ammonia project, aiming to transition into a fully integrated producer of DMF and MA, and to venture into synthetic ammonia and urea production, thereby broadening its product portfolio and establishing a more diversified revenue stream.

While addressing business challenges, our dedication to ESG principles remains unwavering. In FY2023, we invested in various carbon reduction projects and conducted a comprehensive review of ESG data collection and carbon emission computation.



Looking Ahead

As one of the leading global producers in the DMF and MA industries, we recognise the critical role we play in spearheading a significant reduction in carbon emissions. Our unwavering commitment to remaining at the forefront of carbon reduction technologies is a cornerstone of our mission.

Additionally, we take immense pride in our dedication to both product quality and the health and safety of our workforce. Through meticulously structured systems for product quality control and employee safety oversight, we ensure that our operations meet the highest standards. In an effort to further empower our personnel, we have extended the duration of employee training programs, equipping our workforce with the skills and knowledge necessary for success.

The culmination of our efforts in maintaining high-quality product output and cultivating a highly skilled workforce has not only strengthened our relationships with partners and stakeholders but has also laid a solid foundation for our transition into a low-carbon future.

Therefore, despite facing potential challenges in the external landscape, our unwavering confidence drives us forward. We are well-positioned to overcome obstacles and continue our journey towards a sustainable, innovative, and impactful future.

On behalf of the Board of Directors

XU AIJUN

Non-Executive and Non-Independent Chairman



1.3 Scope of sustainability report

The scope of the report covers information on the material sustainability aspects of Jiutian, namely the Group's significant subsidiary, Anyang Jiutian Fine Chemical Co., Ltd (安阳九天精细化工有限公司) ("**Jiutian**"), from 1 January 2023 to 31 December 2023 unless otherwise specified. This should sufficiently address stakeholders' concerns in relation to the sustainability issues arising from the major business operations of the Group.

This report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. In preparing our report, we applied the GRI's principles for defining the report content and report quality by considering the Group's activities, impacts on substantive expectations, and interests of its stakeholders. We also consider the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the Singapore Exchange Limited ("**SGX**")'s Core ESG Metrics. Jiutian intends to expand on the specific recommendations from the Task Force on Climate-related Financial Disclosures ("**TCFD**") in its sustainability report for the financial year ending 31 December 2024 ("**FY2024**"). Please refer to **Appendix B** for the GRI Content Index and **Appendix D** for the TCFD Recommendations Content Index.

1.4 Internal review

The Board has engaged Crowe Horwath First Trust Advisory Pte Ltd ("**Crowe**"), a reputable professional firm specialising in audit and risk solutions, to assist the Board in the review of the adequacy and effectiveness of the Company's internal control systems in relation to the sustainability reporting.

The scope of the services is to review the operations related to the development of sustainability reports. The findings and recommendations are presented to the Board for its deliberation. There are no significant weaknesses reported.

The Board is of the opinion, with the concurrence of the Audit Committee ("**AC**"), that based on the review performed by Crowe, the Company maintains a sound system of internal controls in the areas of sustainability reporting. The Board, however, notes that no system of internal controls can provide absolute assurance against failure to meet business objectives, poor business judgment, human fallibility, material errors or losses, frauds, breaches of laws or regulations, or other unforeseeable occurrences.

The data and information provided within the report have not been verified by an independent third party.

1.5 Sustainability contact

We welcome your views and feedback on our sustainability practices and reporting at info@jiutianchemical.com.

The electronic version of this report can be accessed on the Company's website (<https://www.jiutianchemical.com.sg/>) under the section "Investor Relations".

1.6 Restatements

In FY2023, we conducted a thorough review of our internal processes for collecting ESG metrics as part of our ongoing commitment to continuous improvement. As a result, we have restated past years' environmental data (i.e. emissions, water, and electricity consumption) within this Sustainability Report due to an improvement in our data collection methodologies. The effects of the restatements are as follows:

Metrics	Unit	FY2021		FY2022		Reason
		Before Restatement	After Restatement	Before Restatement	After Restatement	
Total Electricity Consumption	MWh	75.99	75,992	72.54	72,542	We identified an error in the unit used for calculating the electricity consumption, wherein the electricity consumption reported in FY2021 and FY2022 was erroneously stated in kilowatt-hour ("kWh") instead of the correct unit, megawatt-hour ("MWh"). As a result, we have restated the electricity consumption for FY2021 and FY2022.
Electricity Consumption Intensity	kWh/tonne	0.29	290	0.27	270	
Carbon Emission (Scope 2)	tCO ₂ e	3,149	367,562	3,233	382,089	The restatement was necessary due to an error in the unit used for calculating the electricity consumption. Additionally, we have revised our methodology for computing carbon emissions (Scope 2) resulting from purchased steam, aligning it with the guidelines provided by the local authority, i.e. <Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions in Industrial Other Industries (Trial)> issued by China's National Development and Reform Commission ("NDRC"). Consequently, we have recalculated and restated the carbon emissions (Scope 2) to reflect these amendments, leading to a restatement of the GHG emissions (Scope 2) intensity.
Carbon Emission (Scope 2) Intensity	kgCO ₂ e/tonne	12.15	1,418	12.00	1,418	
Carbon Emission (Scope 3)	tCO ₂ e	58.8	3,336	45.1	2,856	After reviewing the carbon emissions computation method for land freight delivery, we have identified opportunities to enhance the methodology, by incorporating factors such as fleet type, cargo weight, and travel distance. Consequently, we have retrospectively restated the carbon emissions (Scope 3) attributable to land freight delivery.
Carbon Emission (Scope 3) Intensity	kgCO ₂ e/tonne	0.23	12.87	0.17	10.6	
Total Carbon Emission	tCO ₂ e	3,251	370,941	3,319	384,985	Following the restatement of carbon emissions (Scope 2) and carbon emissions (Scope 3), both the total carbon emissions and carbon emissions intensity have been adjusted accordingly. As a result, we have revised our carbon emission intensity target. Please refer to the "Environmental protection" for more information.
Carbon Emission Intensity	kgCO ₂ e/tonne	12.54	1,431	12.32	1,429	

Metrics	Unit	FY2021		FY2022		Reason
		Before Restatement	After Restatement	Before Restatement	After Restatement	
Water Consumption	m ³	102,320	690,235	89,898	514,723	We reviewed the scope of water consumption and noted the following areas for improvement: (a) To improve water consumption analysis, we expanded the scope of water consumption to include industrial water (i.e. desalinated and deoxygenated water) in the calculations, leading to restatements. (b) To improve water discharge analysis, we expanded the scope to include domestic wastewater in our revised calculations, leading to restatements.
Water Consumption Intensity	m ³ /tonne	0.39	2.66	0.33	1.91	
Wastewater Discharged	m ³	185,350	417,359	232,331	478,236	
Wastewater Discharged Intensity	m ³ /tonne	0.72	1.61	0.86	1.78	
New hiring rate (male)	%	-	-	67	33	An error occurred during the data consolidation process, resulting in a compilation error.
New hiring rate (female)	%	-	-	33	67	
New hiring rate (<30 years old)	%	-	-	24	22	

2. Our Approach to Sustainability

2.1 Sustainability organisational structure

Sustainability is a fundamental component of our corporate strategy for attaining long-term growth. The impact we create for our people, the environment, and society significantly influences our financial performance. To align with our sustainability goals and values, we have established a dedicated sustainability organisational structure to drive progress.

The Board is responsible for the Group's sustainability reporting and will continue to provide oversight over the identification of the Group's material ESG factors and see to it that management ensures that these ESG factors are monitored and properly managed on an ongoing basis.



Leadership

- The Board of Directors establishes the sustainability framework while the Management sees through the implementation of the framework



Organisers

- Acting Chief Executive Officer ('CEO') of Jiutian is in charge of organising and coordinating the sustainability work in various committees and departments.

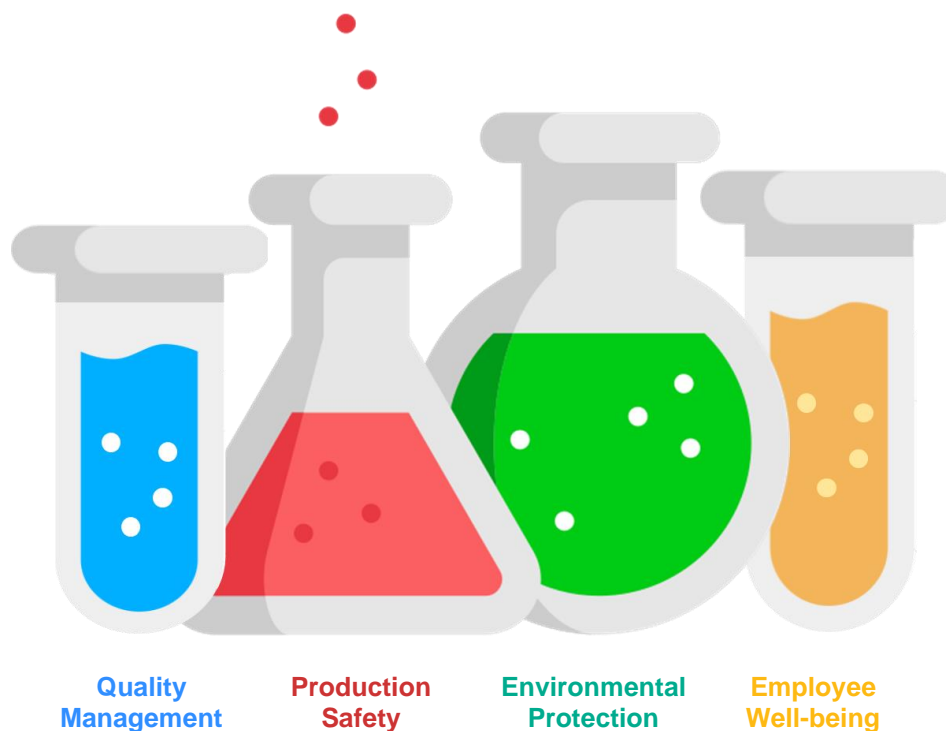


Executives

- The following committees and departments are responsible for sustainability work:
 - Safety Committee
 - Environmental Protection Committee
 - Production Department
 - Equipment Department
 - Technical Department
 - Human Resources Department
 - Administration Department

2.2 Sustainability strategy

At the Group, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to delivering value to all our stakeholders through the following:



The sustainable strategy is underpinned by our comprehensive internal policies on the following:

- Production Safety Management (安全生产管理): Encompasses safety culture, training, occupational health and safety, hazardous chemical handling, fire safety, prevention, equipment maintenance, and supplier management.
- Environmental Protection Management (环境保护管理): Addresses source pollution management, air pollution monitoring, proper discharge of solid and liquid waste, pollution management, and diagrams specific to DMF and MA production.
- Emergency Response Management (应急预案): Focuses on emergency response procedures for serious safety or environmental incidents.
- Human Resources Management (人事管理): Includes the employee handbook, department-specific performance evaluations, rewards, and penalties.

This strategy is aligned with external guidelines, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7F of the Catalyst Rules. The subsequent sections of this report detail our progress and performance in each of these areas, as well as the impact we have on the economy, environment, and society

2.3 Consulting our stakeholders

We recognise the need to continuously develop our responsible business approach in order to address the growing stakeholder expectations around our impact on the economy, environment, and society. As such, we consult periodically with our stakeholders to determine the issues that are most relevant to them and Jiutian.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

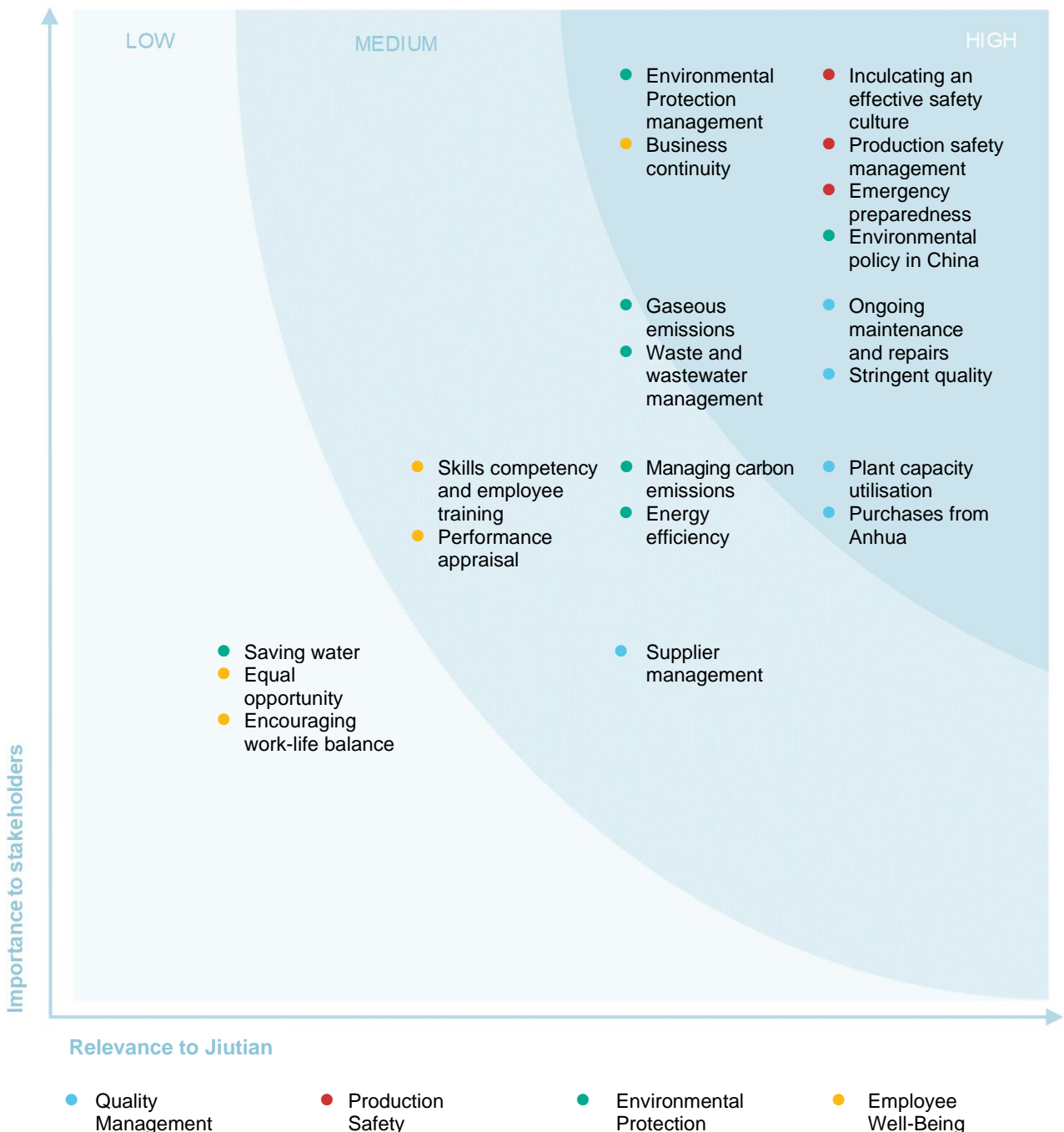
Stakeholders	How we listen	Why do we do it	What you've told us
Customers	<ul style="list-style-type: none"> Industry association meetings Meetings with the customer's procurement department 	<ul style="list-style-type: none"> Ensure the ability to meet customer's requirements in terms of quality and delivery timelines 	<ul style="list-style-type: none"> Provision of high-purity chemicals Ability to meet delivery timelines
Employees	<ul style="list-style-type: none"> Internal updates and communication Events and functions Whistle-blowing policy 	<ul style="list-style-type: none"> Improve employee capabilities through internal and external training Improve employee well-being through managing health and safety, and upkeep of the plant and surrounding areas 	<ul style="list-style-type: none"> Health and safety Career progression Benefits and rewards External courses
Regulatory authorities (Governments, SGX and etc)	<ul style="list-style-type: none"> Regular updates and communication Reports and Compliance Periodical meetings with government bodies 	<ul style="list-style-type: none"> Adhere to environmental regulations for chemical production A good relationship between the Company's continuing sponsor and facilitating dialogue with SGX 	<ul style="list-style-type: none"> Compliance with relevant laws and regulations
Shareholder and investors	<ul style="list-style-type: none"> SGX Announcements Shareholder's meeting Annual reports Regular updates and communication 	<ul style="list-style-type: none"> Committed to delivering economic value to our capital providers through strong financial performance and our methods of engagement with them. 	<ul style="list-style-type: none"> Long-term profitability Sustainability matters Group's performance against targets Compliance with the Catalyst Rules Business continuity
Suppliers	<ul style="list-style-type: none"> Meetings with the supplier's sales department Negotiation of bulk discounts 	<ul style="list-style-type: none"> Ensure availability of quality supplies for uninterrupted chemical production at a reasonable cost 	<ul style="list-style-type: none"> Ability to meet the Company's quality standards Ability to meet the Company's delivery timelines

2.4 Sustainability materiality

Based on the stakeholder engagement, we have developed our material sustainability matrix containing material aspects that are aligned with our principal business and operational risks and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year when the external and business context changes.

The aspect boundaries ‘within’ the organisation are limited to our principal subsidiary, Jiutian, whereas the aspect boundaries ‘outside’ the organisation include customers, employees, regulatory authorities (governments, SGX etc), shareholders investors, and suppliers.



3. Our performance

3.1 How we measure our performance

Our sustainability strategy is integrated into relevant aspects of our business, overseen by dedicated teams for each focus area, and coordinated by respective departmental managers.

Progress will be assessed through two primary methods: evaluating performance against established metrics and gauging the advancement of programs through a series of 'commitments.'

Metrics and targets

We have established the key performance indicators for each of the four focus areas outlined in our sustainability strategy. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy. Please refer to **Appendix C** for the methodology review and data boundaries.




Symbols used to indicate progress against commitments




 The new commitment this year	 In progress	 Ongoing commitment: no end date
 Not started	 Complete	

Commitments to United Nations Sustainable Development Goals ('UNSDGs')

To establish a comprehensive sustainability program, we have incorporated key commitments aligned with UNSDGs for each aspect of our sustainability strategy. Progress against these commitments is regularly assessed, and we utilise the symbols outlined in the table below to indicate our achievements. Our sustainability program undergoes tracking and review sessions with the Board of Directors at least annually.

As a global citizen, Jiutian supports UNSDGs through the following commitments:

Goals	How we support
	<p>We are dedicated to endorsing and backing initiatives that enhance access to quality healthcare, guarantee healthy living conditions, and foster mental and emotional well-being. Prioritising the health and well-being of our employees, partners, and communities, we aspire to contribute to the attainment of these crucial Sustainable Development Goals ('SDGs') and strive to create a better world for all.</p> <p>For our commitment, please refer to "Production Safety" and "Employee Well-being"</p>
	<p>We strongly believe that investing in employee training is crucial not only for the advancement and prosperity of our organisation but also for the professional growth and job satisfaction of our employees. Our commitment is to provide continuous training and development opportunities, allowing our employees to broaden their knowledge, acquire new skills, and elevate their performance. We strive to deliver training programs that are pertinent, captivating, and in sync with the needs of both our employees and our organisation. By emphasizing employee training, our goal is to foster a culture of ongoing learning and enhancement, contributing to the success of both our employees and our organisation at large.</p> <p>For our commitment, please refer to "Employee Well-being"</p>
	<p>We firmly believe in the fundamental importance of equal opportunities and rights for both women and men in constructing a fair, just, and inclusive society. As an organisation, our commitment lies in fostering a workplace culture that champions diversity, inclusivity, and equal opportunities for everyone. We are devoted to ensuring that our policies and practices uphold gender equality, actively working to identify and eliminate any barriers that hinder equal opportunities and progress for women.</p> <p>For our commitment, please refer to "Employee Well-being".</p>

Goals	How we support
 <p>6 CLEAN WATER AND SANITATION</p>	<p>We acknowledge that access to clean water is a fundamental human right crucial for sustainable development. Recognizing the significance of safeguarding natural resources and minimizing waste, we are committed to reducing water consumption and waste through the adoption of innovative technologies and practices that facilitate water recycling and reuse. Our emphasis on utilizing recycled water aims to play a role in preserving natural resources, fostering sustainable development, and building a better world for generations to come.</p> <p>For our commitment, please refer to “Environmental Protection”.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Jiutian acknowledges the significance of innovation in DMF and MA production and is dedicated to adopting new, sustainable technologies in our operations. Recognizing the pivotal role of DMF and MA in the chemical industry, we are committed to ensuring that our production methods prioritise safety, efficiency, and environmental responsibility. Through investments in research and development, we aim to discover innovative approaches to production that minimise waste, decrease energy consumption, and mitigate our environmental footprint.</p> <p>For our commitment, please refer to “Quality Management and Production Safety”.</p>
 <p>13 CLIMATE ACTION</p>	<p>We acknowledge that climate change is a paramount challenge for our planet, and we are committed to playing our role in mitigating its impact. As an organisation, we strive to minimise our carbon footprint and lower greenhouse gas emissions through sustainable business practices and investments in renewable energy sources. Our goal is to foster sustainable development by collaborating with partners to identify and implement solutions that collectively reduce our environmental impact. Additionally, we aim to raise awareness and encourage action on climate change within our industry and the wider community.</p> <p>For our commitment, please refer to “Environmental Protection”.</p>

3.2 Quality management

Overview

At Jiutian, our core commitment revolves around the manufacturing and production of high-purity DMF and MA, essential feedstocks crucial in the synthesis of polyurethane (“PU”). Upholding the highest standards in product quality is paramount to us, we have instituted comprehensive procedures meticulously adhered to throughout our production processes.

Recognising the pivotal role of effective supply chain management in fostering positive corporate values and achieving sustainable business practices, we maintain a dedication to the consistent implementation of our procurement policies and procedures across our entire operational spectrum. Through the optimisation of our processes and the judicious conservation of resources, our goal is to enhance productivity and diminish our environmental footprint, all while seamlessly meeting the evolving needs of our valued customers.

Plant capacity utilisation

In FY2023, the capacity utilisation rates for DMF and MA production saw significant declines, dropping to 36% and 64%, respectively, from previous levels of 67% and 100%. This decrease was primarily driven by a sharp correction in DMF and MA prices, which fell by 54% and 58% compared to FY2022. The price decline resulted from a combination of factors, including weakened demand due to slower economic recovery in China and increased supply from emerging producers in the market.

Despite the challenging business environment, we maintain optimism for the future. To address these challenges, we have initiated a synthetic ammonia project to enhance our vertical integration as a producer of DMF and MA, along with diversifying our product offering through urea production. This strategic move aims to broaden our revenue streams and strengthen our market position.

We are committed to closely monitoring and reporting on our plant's capacity utilization rates for both products. With confidence in our capabilities, we remain dedicated to meeting the evolving needs of our customers in these crucial industries.

Ongoing maintenance and repairs

In FY2023, we conducted scheduled maintenance on the DMF and MA plants. The maintenance involves the installation of the internal pressure vessel.

At our chemical plants, we prioritise regular maintenance and repairs to ensure smooth and efficient operations year-round. These activities include minor technological improvements, piping and insulation maintenance and repairs, meter updates, and structural reinforcements. These efforts improve production efficiency and quality and help prepare our chemical plant to operate smoothly during harsh winter months.

In FY2023, we invested RMB11.3 million in maintenance and repairs, a decrease from RMB 13.6 million in FY2022. With a reduction in overall production volume, expenses related to the maintenance and repairs of production equipment also decreased.

FY2023 Progress

36%

DMF plant capacity utilisation rate

64%

MA plant capacity utilisation rate

11.3m

Investment in maintenance and repairs (RMB)

2.77m

Investment in process improvements (RMB)

100%

Product acceptance rate by our customers

Despite the DMF and MA facilities being in production for over a decade, the Group is committed to continually improving the efficiency and effectiveness of our production workflow through process improvement initiatives. In FY2023, we spent a total of RMB 2.77 million on process improvements, demonstrating our dedication to enhancing our operations.

Study on the Intelligent Application of the DCS Operating System for the Second Set of MA

(二套甲胺DCS操作系统智能化应用研究)

In November 2023, the successful initiation of this project marked a significant milestone for Jiutian. This project, tailored to the current situation and needs of Jiutian, leverages advanced control software to implement sophisticated control over the MA unit, thereby elevating the overall level of automation across various production units. Through in-depth analysis of the current state of the unit's processes and the demand for process control, advanced control technologies such as multivariate predictive control, intelligent control, and soft measurement are applied.

The integration of predictive modeling and feedback control effectively addresses the challenges of multivariate coordination and optimisation in the production process, suppressing interfering factors. This approach establishes a unified operational method, reduces the influence of human factors, ensures operational consistency, and achieves stable control of the unit. Furthermore, by dynamically optimising process parameters, the system stabilises product quality, reduces energy consumption, and enhances the yield of the target product, resulting in significant economic benefits.

Stringent quality management

At Jiutian, we prioritise customer satisfaction by delivering high-quality products through our stringent quality management process. Our commitment to product quality is reflected in our ISO9001:2015 certification, which we renewed in June 2023 and plan to renew again in June 2026.

To ensure the purity of our products, we subject each incoming raw material shipment to rigorous analysis and inspection in our in-house laboratory. We only accept shipments that meet our strict production requirements, and any shipments that do not meet our purity standards are returned to the suppliers.

We also conduct hourly quality inspections during ongoing production to maintain consistency in DMF and MA production. By focusing relentlessly on quality, we have achieved a 100% product acceptance rate by our customers in FY2023 which is the same achievement rate in FY2022.

We are committed to continuing to prioritise product quality to achieve 100% customer satisfaction in the future. We will continue to improve our quality management process and incorporate customer feedback to ensure we are meeting their needs and exceeding their expectations.

Purchases from Anhua

Jiutian has maintained a strong partnership with our principal supplier and controlling shareholder, Anyang Chemical Industry Group Co., Ltd. (安阳化学工业集团有限责任公司) ("**Anhua**"), since the signing of our raw materials and spare parts purchase agreement on 1 January 2005. The 20-year agreement includes the supply of essential raw materials and utilities such as coal, distilled water, steam, and electricity to our facilities.

Our close working relationship with Anhua enables us to ensure the quality and consistent supply of these materials and utilities at a reasonable price. We value the partnership and trust we have built with Anhua over the years, and we are committed to continuing our collaboration to support the success of both companies.

At Jiutian, we recognise the importance of reliable and cost-effective raw materials and utilities to our production process, and we are grateful for the consistent support and partnership of Anhua in this regard. We look forward to continuing to work together to meet the needs of our customers and stakeholders.

Supplier management

Jiutian purchases entirely from its reliable local suppliers. A secure and stable supply chain is very important to ensure the smooth and uninterrupted operation of our production activities. As such, we have established a set of Supplier Management Policies (供应商管理办法) to be applied to all our suppliers.

Some of the areas covered by our policies include:

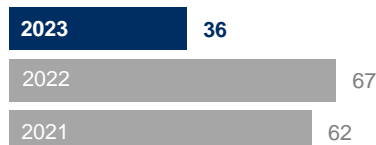
- Supplier classification,
- New supplier qualification and authorisation,
- Supplier evaluation,
- Supplier disqualification,
- Supplier selection through fair competition, and
- Inventory management.

Commitments: Quality management

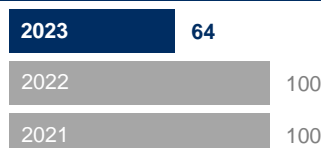
Key Commitments

Track and report plant capacity utilisation rate for DMF and MA

Plant Capacity Utilisation for DMF (%)



Plant Capacity Utilisation for MA (%)



FY2023 progress

- In FY2023, the capacity utilisation rates for both DMF and MA production experienced declines, with DMF production decreasing from 67% to 36% and MA production reducing to 64% from 100%.
- During the year, the product prices experienced a sharp decline, prompting a precautionary halt in production.

Key Commitments

Track and report ongoing maintenance, repairs, and improvements

Maintenance and repairs (RMB'million)



Process improvements (RMB'million)



FY2023 progress

- Regular maintenance and repairs continue to be carried out periodically. Maintenance and repairs expenses in FY2023 are RMB 11.3 million.
- The amount spent on process improvement in FY2023 is RMB 2.77 million.
- We will continue to track and report ongoing maintenance, repairs, and improvements for FY2024.

Key Commitments

Full compliance with ISO9001:2015 (Quality Management System)

Achievements

- ISO9001:2015 certified since October 2018 and has been renewed every three years.

FY2023 progress

- Jiutian has been fully compliant with the requirements of ISO9001:2015 since October 2018.

Key Commitments

Achieve a 100% product acceptance rate by our customers

Achievements

- Achieved 100% product acceptance rate by our customers since FY2017

FY2023 progress

- Backed by our stringent quality management process, Jiutian continues to achieve a 100% product acceptance rate by our customers since FY2017.

3.3 Production safety

Overview

Safety is a top priority at Jiutian, especially when dealing with hazardous chemicals in our production processes. Our strong emphasis on production safety underscores the importance of creating an effective safety culture throughout our operations.

We believe in prioritizing safety as the foundation of all our activities, shifting from a mindset that prioritises production over safety. Our goal is to instil a safety-conscious workplace where every employee takes responsibility for ensuring a secure environment.

To achieve this, we provide comprehensive safety training covering protocols, emergency response procedures, and safe handling practices for hazardous chemicals. Regular safety audits and risk assessments are conducted to identify and address potential hazards effectively.

We actively encourage our employees to voice safety concerns and report any issues, fostering a culture of open communication. We value their input and feedback, using it to continually enhance our safety practices. Our commitment is to safeguard the health and well-being of our employees, protect the environment, and deliver safe, reliable products to our customers.

Inculcating an effective safety culture

Safety in the chemical industry relies heavily on following correct procedures. Establishing an effective safety culture is crucial, not only for reducing injuries but also for strengthening production, enhancing operational agility, and progressing toward becoming a high-performance business.

Jiutian is fully compliant with China's production safety policy, consistently renewing the required Production Safety License for our production facilities. We enforce strict safety regulations and implement stringent measures to ensure the safety of our production facilities and processes.

Our strategy is aligned with maintaining full compliance with China's production safety policy, aiming for zero production stoppages due to safety incidents and zero serious accidents. At Jiutian, our Safety Committee, led by our acting CEO and General Manager of Subsidiaries, is supported by key managerial roles to oversee safety matters.

Daily safety briefings precede each production shift, accompanied by weekly and monthly safety meetings to review and integrate lessons learned. Periodic sharing sessions within each department highlight important safety aspects. New employees undergo comprehensive company and departmental orientation training, emphasizing safety in their job scope.

FY2023 Progress

0

Production stoppage due to safety incidents

0

Serious incidents

0

Workplace injuries

Production safety management

We are committed to production safety and have established a set of Production Safety Management Policies (安全生产管理制度) that require all employees to adhere to the relevant safety laws and regulations and company standards. Effective from October 2020, Anyang Jiutian has been certified to be compliant with the requirements of ISO45001:2018 (Occupational Health & Safety Management System). This certification has been renewed in June 2023 with a validity of three years.

Our employees are required to familiarise themselves with and uphold safety standards in order to achieve "Safety First, Effective Prevention, and Comprehensive Management" (安全第一、预防为主、综合治理).

Some of the areas covered by our policies include:

- Effective safety culture,
- Safety training and development,
- Occupational health and safety,
- Handling of hazardous chemicals, and
- Fire safety and prevention.

In addition, during the year, we conducted periodical safety hazard inspections, some of the major safety inspections are as below:

- Pre-festival safety inspections
- Fire hazards safety inspections
- Production resumption safety inspections
- Chemical handling safety inspections
- Anti-freeze and anti-condensation safety inspections
- Winter safety inspections

Emergency Preparedness

While we emphasize preventing safety incidents, we also prepare the employees to handle and respond to emergencies, including potential explosions, fires, and chemical spills. This is very important to reduce and limit the impact and casualties as a result of any safety incidents that may happen in our line of work.

In addition to departmental training and refresher courses, we also conduct annual fire safety and emergency preparedness drills that involve all company personnel and the local fire station.

To extensively disseminate fire safety knowledge and bolster employees' awareness and self-rescue capabilities in fire incidents, in alignment with our "Notice on Conducting the 2023 Fire Safety Awareness Month Activities" (关于做好2023年119消防宣传月活动通知) and considering the Company's specific circumstances, we have initiated a robust "119" fire safety promotion campaign internally.

To kick off, we are actively promoting Fire Safety Month activities (消防月活动). Leveraging articles, WeChat, banners, and various communication channels, we are vigorously disseminating fire safety information to cultivate a pervasive culture of fire safety awareness.



Safety banner reminding of safety practices



Safety banner reminding of safety practices



Fire safety training

Furthermore, we coordinated all employees to engage in fire safety training and exams, aiming to bolster awareness and understanding of fire safety across the staff. Additionally, we persist in conducting safety awareness education initiatives to fortify accident management. In November 2023, Jiutian collectively reviewed educational videos on safety incidents such as the "Meixinda June 13 Limited Space Large Poisoning Accident" (美欣达6.13有限空间较大中毒事故警示教育视频) and the "Hebei Dajiang Chemical Group Co., Ltd. September 24 Asphyxiation Accident," (河北大江化工集团有限公司9.24窒息事故警示教育视频) enriching our knowledge and preparedness.

Moreover, on 18 November 2023, a specialised emergency drill addressing material leakage and fire was conducted at the two plant sites. This drill significantly augmented employees' understanding of self-protection and safety measures. Participants acquired adeptness in executing emergency rescue protocols and operating rescue equipment. Such training serves to assure that, in the event of an accident, the team can swiftly and efficiently control and manage the situation, thereby ensuring a prompt and organised emergency response.



Emergency drills



Emergency drills

Commitments: Production safety

Key Commitments

Full compliance with production safety laws and regulations

Achievements

- Achieved zero production stoppage due to safety incidences and zero serious accidents

FY2023 progress



- Focusing on inculcating an effective safety culture, upholding production safety, and emphasising emergency preparedness, we continue to achieve zero production stoppage due to safety incidences and zero serious accidents.

Key Commitments

Full compliance with ISO45001:2018 (Occupational Health & Safety Management System)

Achievements

- ISO45001:2018 re-certified from June 2023 with a validity of three years.

FY2023 progress



- Jiutian has been fully compliant with the requirements of ISO45001:2018 since October 2020.

3.4 Environmental protection

Overview

Jiutian is actively aligning with China's evolving environmental landscape. As a leading DMF and MA producer, our commitment to strict compliance with national environmental regulations is evident in our comprehensive policies. These policies are strategically designed to integrate environmental protection, carbon reduction, pollution prevention, and waste minimisation seamlessly into our daily operations.

We have also made continuous enhancements to our disclosures. This involved conducting a thorough review of our internal processes for collecting ESG metrics. Consequently, certain environmental metrics for FY2021 and FY2022 have been restated as part of our ongoing efforts to refine our data collection processes. Please refer to 1.6 Restatements for more information.

Environmental policy in China

Environmental policy in China is set by the National People's Congress and managed by the Ministry of Environmental Protection of the People's Republic of China. The central government issued strict regulations for which the actual monitoring and enforcement are largely undertaken by the local governments.

In January 2015, a new environmental law came into effect, covering land, water, and air pollution. It contains strict penalties, including seizing the property of illegal polluters and company executives subject to prison sentences of 15 days. There is no upper limit on fines. More than 300 different groups will be able to sue on behalf of the people harmed by pollution.

Jiutian is fully compliant with China's environmental policy and has obtained the requisite clearance on its environmental protection facilities since November 2015.

As part of our strategy, we seek to continue to be fully compliant with China's environmental policy with zero environmental incidents and zero fines for contravention of environmental regulations.

To address the increasingly stringent national environmental policy in China, Jiutian's management requires all environmental matters to be addressed as a high priority through the following steps:

- Manage and analyse the root causes of environmental incidents in a timely manner,
- Adopt a conscientious and persistent attitude toward the improvement of processes, and
- Maintain an open mind towards the adoption of new and advanced technology and management methods.

FY2023 Progress

0

Environmental incidents

0

Fines on contravention of environmental regulations (RMB)

1442tCO₂e

Carbon footprint per tonne of production

100%

Gaseous emissions that meet local emission standards

100%

Wastewater discharge that meets local emission standards

2.19m³

Water consumption per tonne of production

1.57m³

Wastewater discharge per tonne of production

Managing climate-related risks

We recognise that climate change poses significant risks to our operations, our industry, and the communities in which we operate. We aim to identify and assess these risks and implement measures to manage and mitigate them. We seek to promote sustainable practices that reduce our carbon footprint and minimise our impact on the environment. We also work with our partners to identify and manage climate-related risks throughout our supply chain, ensuring that we promote sustainable practices throughout our industry. We understand the importance of transparency and plan to align our disclosure with the recommendations of the TCFD in the coming years.

Environmental protection management

At Jiutian, our Environmental Protection Committee, led by our Acting CEO and General Manager of Subsidiaries, is supported by key individuals including our Vice General Manager (Technical), Equipment Manager, Production Manager, and Safety Manager. This dedicated team oversees all matters related to environmental protection within the company.

Our commitment to environmental protection is evident through the establishment of Environmental Protection Management Policies, mandating all employees to strictly adhere to relevant environmental protection laws, regulations, and company standards. Some of the areas covered by our policies include:

- Source pollution management,
- Air pollution monitoring,
- Proper discharge of solid and liquid waste,
- Pollution management, and
- Pollution management diagrams for our production of DMF and MA.

Jiutian has achieved full compliance with the ISO14001:2015 (环境保护管理制度) standards since October 2018. As of July 2023, the Company has undergone successful re-certification, maintaining compliance with ISO14001:2015. This certification is valid for three years, with the next renewal scheduled for July 2026.

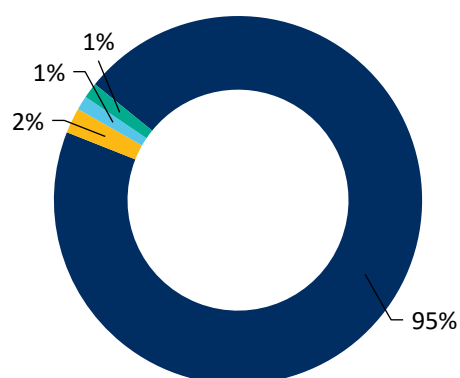
Managing carbon emissions

To determine the carbon footprint, we collect energy usage data from each of our businesses and then calculate our total annual greenhouse gas (“GHG”) emissions. We follow the GHG Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate GHG emissions. Using the “control method”, we include 100% of the emissions associated with businesses that we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emission)
- All purchased electricity and steam used in our facilities (Scope 2 emissions)

Impact of business travel, and transportation of goods to our customers (optional Scope 3 emissions)

In FY2023, Jiutian generated a carbon footprint of 206,113 tonnes of carbon dioxide equivalent (‘tCO₂e’) with a carbon emission intensity of 1.442 tCO₂e per tonne of production. The carbon emission intensity largely remains the same as the pervious year. The emission mainly arises from purchased electricity and steam used in the production process which account for 99% of our total carbon footprint.



- Purchased Steam
- Purchased Electricity
- Direct Fuel
- Business Travel and Other Transport

Energy efficiency

At Jiutian, we recognise that energy consumption is a significant contributor to our operating expenses and also impacts the environment. Therefore, we are committed to investing in energy efficiency measures to reduce our carbon footprint and lower our financial costs.

In FY2023, our aggregate electricity consumption amounted to 41,990 Megawatt-hours (“mWh”). This consumption was accompanied by an intensity of 0.29 mWh per tonne of production. Our electricity consumption intensity has increased by 7%¹ as compared to the previous year. This increase can be attributed to the fact that our industrial electricity usage decreased in line with lower production outputs. However, our electricity consumption for office and worker dormitory largely remains the same. As a result, our overall electricity consumption intensity increased.

Concurrently, our total steam consumption stood at 534,673 cooling tonnes (“CT”). The steam consumption intensity was measured at 3.74 CT per tonne of production which largely remained the same as the previous year.

Combining both electricity and steam consumption, our total energy utilisation for the year amounted to 1,795,713 Gigajoules (“GJ”).

We have allocated significant resources to enhance our existing assets through process improvement initiatives, focusing on optimising eco-efficiency in our production operations to reduce energy consumption and, consequently, lower carbon footprint. We anticipate observing the results of these efforts in the years ahead. The following section highlights our energy-saving projects.

Energy-saving and Carbon Reduction Research on the Distillation and Reflux of MA

(九天公司一套甲胺精馏再沸节能降碳研究)

This project seeks to optimise the utilisation of heat energy from a distillation tower's reflux in an MA unit through the implementation of comprehensive heat recovery measures. The goal is to effectively harness heat sources that are currently underutilised within a set of amine distillation towers. This involves the installation of two new reboilers to recover a portion of the heat while also conducting optimisation and renovation on one of the distillation tower's coolers.

The project is estimated to be completed by August 2024. Upon successful operation, it will efficiently recover heat from the distillation tower, distributing warmth to other towers, reducing steam consumption in steam distillation towers, and minimising the need for circulating water. This initiative promises substantial economic benefits and aligns with goals of energy conservation and carbon footprint reduction.



New reboiler



New reboiler

¹ The electricity consumption intensity for FY2022 has been restated. Please refer to 1.6 Restatement for more information.

Comprehensive Transformation Project for the Optimisation of the MA and DMF System in Jiutian (安阳九天精细化工有限责任公司甲胺DMF系统优化综合改造项目)

The comprehensive transformation project for the optimisation of the MA and DMF system at **Jiutian** consists of three main components. The first part involves the energy-saving transformation of one MA unit. This includes the installation of steam-saving equipment and the recovery of steam condensate from various distillation towers to reduce the steam consumption in the distillation towers, thereby lowering the steam consumption per unit of product.

The second part focuses on optimising the liquid ammonia unloading pump and unloading ammonia compressor in the storage and loading workshop. This optimisation aims to reduce the operational load of the pump, decrease electrical consumption, accelerate the preparation of MA aqueous solution products, improve preparation speed, minimise pump startup time, and save electricity.

The third part is the optimisation project for improving the quality of carbon dioxide (“CO₂”) products. This involves optimising the vacuum pump to enhance the quality of CO products, increase CO₂ recovery, and use it as a feedstock for gasification, ultimately reducing the number of startup cycles of vacuum pumps and conserving energy.

The project costs approximately RMB 6 million, with evident energy-saving and carbon-reduction effects. The estimated annual energy savings total approximately 1,090 tons of coal equivalent (“tCe”), resulting in a reduction of CO₂ emissions amounting to 4,987 tons. This surpasses the planned target by 142%.



Steam-saving equipment



Liquid ammonia unloading pump and unloading ammonia compressor



Optimised vacuum pump

Gaseous emissions

DMF and MA production produce fumes containing hydrogen sulfide and ammonia respectively. These obnoxious fumes need to be securely collected and treated before they can be safely released into the atmosphere.

Hydrogen sulfide gas from DMF production will undergo a desulphurisation process to remove the presence of sulfur to a level of fewer than 0.1 parts per million (“ppm”). On the other hand, ammonia gas from MA production is recovered, purified, and recycled as feedstock for the production.

As a result, the fumes released into the atmosphere will be able to meet the requirements of the gas emission standard of the Henan Province. As part of our strategy, we seek to continue to ensure that 100% of our gaseous emissions meet the local emission standards.

Saving water

At Jiutian, we extensively use water as a natural coolant to maintain the correct temperature of our reactor towers during chemical production. To enhance the precision of our water consumption analysis, we thoroughly reviewed our water usage, expanding our scope beyond freshwater to encompass industrial waters such as desalinated and deoxygenated water in our calculation of total water consumption. Consequently, we have retrospectively restated the water consumption in FY2021 and FY2022. In FY2023, our total water consumption amounted to 312,810m³, reflecting a notable reduction of 39%² compared to previous years. However, our water consumption intensity reached 2.19m³ per tonne of production, marking a 13%² increase from the prior year. This increase can be attributed to the fact that while our industrial water usage decreased in line with lower production outputs, our consumption of freshwater, primarily dedicated to office and workers' domestic needs, remained unchanged. As a result, our overall water consumption intensity increased.

We are committed to tracking and monitoring our performance in water consumption, and water recycling and reuse. We will report on our progress and performance improvements every year.

Waste and wastewater management

The waste materials generated by Jiutian's production of DMF and MA are not significant. However, any waste engine oils and materials recovered from the maintenance of piping, meters, and insulation are collected in a locked and isolated container and disposed of through proper biohazard disposal channels.

Anhua, a controlling shareholder's facility, manages Jiutian's wastewater disposal. Anhua's facilities utilise parallel biological treatment tanks, which are capable of handling up to 15,000 m³ of wastewater per day. The treated wastewater discharge from Anhua's facilities meets the Henan Province's water emission standard. We are committed to ensuring that 100% of our wastewater discharge meets the local emission standards.

In FY2023, Jiutian's wastewater discharge intensity was 1.57 m³ per tonne of production, which decreased 12%³, from 1.78 m³ per tonne of production in the previous year.

As environmental laws and regulations in China become increasingly stringent, we will continue to strive to reduce wastewater discharge through ongoing maintenance, repairs, and process improvements.

² Total water consumption and water consumption intensity for FY2022 and FY2021 have been restated. Please refer to 1.6 Restatement for more information.

³ Total wastewater discharge consumption and wastewater discharge intensity for FY2022 and FY2021 have been restated. Please refer to 1.6 Restatement for more information.

Commitments: Environmental protection

Key Commitments

Full compliance with environmental laws and regulations

Achievements

- Achieved zero environmental incidents and zero fines for contravention of environmental regulations.

FY2023 progress



- We are fully compliant with China's environmental policy with zero environmental incidents and zero fines for contravention of environmental regulations.
- 100% of gaseous emissions meet the local emission standards.
- 100% of wastewater discharge meets the local emission standards.

Key Commitments

Full compliance with ISO14001:2015 (Environmental Management System)

Achievements

- ISO14001:2015 certified since October 2018. Effective from June 2020, Jiutian has been re-certified to be compliant with the requirements of ISO14001:2015

FY2023 progress



- Jiutian has been fully compliant with the requirements of ISO14001:2015 since October 2018.

Key Commitments

Reduce carbon footprint per tonne of production by 10% by FY2030 (from an FY2023 baseline)

Carbon footprint intensity

2023	1,442
2022	1,429 ⁴
2021	1,431 ⁴

FY2023 progress



- The carbon emission intensity largely remains the same as in previous years.
- Jiutian initiated several energy-saving and carbon emissions reduction projects in FY2023, anticipating a reduction in carbon emissions from our production operations in the upcoming years.
- We have revised our target from the previous year in view of the restated historical data. Our baseline year for the target have been set to FY2023, as it offers a more accurate reflection of the Group's post-COVID production activities.

Key Commitments

Track and monitor our performance on wastewater discharge and water consumption

Wastewater discharge intensity (m³/tonne)

2023	1.57
2022	1.78 ⁵
2021	1.61 ⁵

Water consumption intensity (m³/tonne)

2023	2.19
2022	1.91 ⁶
2021	2.66 ⁶

FY2023 progress



- Jiutian had a wastewater discharge intensity of 1.57 m³ per tonne of production. The reported decrease in wastewater discharge intensity in FY2023 is due to the reduction in production.
- Our water consumption intensity has increased by 13% from FY2022. This is primarily due to our consumption of freshwater, primarily dedicated to office and workers' domestic needs, which remained unchanged despite the lower production output.

⁴ Carbon footprint intensity for FY2022 and FY2021 have been restated. Please refer to 1.6 Restatement for more information.

⁵ Wastewater discharge intensity for FY2022 and FY2021 have been restated. Please refer to 1.6 Restatement for more information.

⁶ Water consumption intensity for FY2022 and FY2021 have been restated. Please refer to 1.6 Restatement for more information.

3.5 Employee well-being

Overview

In our pursuit of enhancing employees' productivity, we have instituted a comprehensive performance appraisal program and reward system that aligns with the outcomes of the appraisal. This program is instrumental in gauging the skill levels of our employees, enabling us to tailor effective training programs to address any identified skill gaps.

We prioritise the career path and progression of our employees, and to fulfil this commitment, our management has established multiple two-way communication channels. These channels ensure that employee career development needs are considered whenever possible. Training opportunities are extended to all employees based on their identified needs.

These initiatives have positioned Jiutian to foster a positive working experience for our employees while concurrently contributing to the economic development and skilled labour resources of the local community.

Skills competency and employee training

To ensure that our employees excel, we emphasise continuous learning in the workplace. Every employee has equal opportunities to upgrade and sharpen his or her skill set through formal and on-the-job internal training programs and inter-departmental competitions.

In FY2023, Jiutian invested an average of 81 hours of training for each employee, representing a slight increase from the previous year. We have achieved our target of a minimum of 80 hours of training per employee and will work towards achieving the same target in future years.

Performance appraisal

To ensure the realisation of our objectives, we have implemented diverse performance appraisal methods that evaluate both the Company's overall performance and that of each individual employee.

The employee performance appraisal predominantly relies on quantifiable evaluation criteria. Furthermore, we actively gather performance-related information from each employee on a monthly basis, facilitated through inputs and feedback from direct supervisors and regular employee communication sessions.

The information gathered enables us to comprehend the performance and skill development needs of each team and individual employee from various perspectives. This comprehension is pivotal for the Company in formulating annual training programs aimed at enhancing employee skills and elevating overall productivity.

As of FY2023, all our employees have undergone at least one annual performance appraisal conducted by their superiors. We are committed to sustaining this practice in the upcoming year.

FY2023 Progress

81

Training hours per staff

100%

Employees are subject to regular performance appraisal

44%

Female representation in the workforce

26%

Female representation in management

Equal opportunity

Jiutian upholds a steadfast commitment to being an equal-opportunity employer, fostering an equitable workplace that abides by the principles of fairness and non-discrimination. Across recruitment, compensation, promotion, and benefits, we emphasise objective evaluations, equal opportunities, and non-discrimination, irrespective of factors such as gender, race, marital status, pregnancy, disability, age, or family status.

In our pursuit of attracting top-notch talent, we embrace a fair and flexible recruitment strategy encompassing recruitment applications, job descriptions, job applications, interviews, selection, approval, and job offers. Promotions are determined solely on the basis of performance and suitability.

We provide competitive remuneration packages, inclusive of essential social benefits, designed to attract and retain skilled personnel. These packages undergo periodic reviews to align with prevailing benchmarks in the employment market. Dismissals strictly adhere to employment laws and regulations, emphasizing non-discrimination.

As of FY2023, female employees constitute 44% of our overall workforce, with a 26% representation in management positions. Our ongoing commitment involves diligently tracking and monitoring female representation, with regular reporting of these statistics to ensure transparency and accountability.

Encouraging work-life balance

We orchestrated a variety of employee activities with the overarching aim of promoting holistic well-being, fostering teamwork, and nurturing the exploration of individual talents. Our objective was to instil a positive mindset that transcends both professional and personal spheres.

To fortify teamwork and camaraderie among employees, enhance their well-being, and ensure a harmonious work-life balance, Jiutian consistently arranges periodic sports competitions. We distribute thoughtful gift packs during major festivals, including the Spring Festival, Duanwu Festival, and Mid-Autumn Festival, and extend family care packs during the summer and winter seasons. Furthermore, we prioritise the health of our employees by organizing complimentary annual health check-ups and providing financial assistance to those facing challenges.

Business continuity

At Jiutian, we recognise the critical importance of upholding our operations amidst unforeseen challenges or disasters. Our steadfast commitment is to ensure business continuity and seamless service delivery to our valued customers, even in the face of disruptive incidents.

Our meticulously crafted business continuity plan is strategically devised to enable swift and efficient responses to any situation that might impact our operations. This comprehensive plan delineates the roles and responsibilities of key personnel during disruptions, prioritizing the safety of our employees and the uninterrupted flow of our operations. We implement robust measures such as redundant supply chains, alternative sourcing arrangements, and remote work capabilities to guarantee operational resilience, even in the wake of significant disruptions.

Regular testing and updates of our business continuity plan are standard practices, ensuring its effectiveness and relevance. Through continuous training initiatives, we empower our employees to be well-prepared and responsive in the event of disruptions. Our overarching objective is to maintain resilience and adaptability, navigating unforeseen challenges while safeguarding our employees' well-being and minimizing any impact on our customers.

Commitments: Empowering lives

Key Commitments

Achieve a minimum of 80 hours of training per employee

Training hours per employee (Hours)

2023	81
2022	81
2021	83

FY2023 progress



- Jiutian invested an average of 81 hours of training for each employee.
- We will continue to commit to a minimum of 80 hours of training per employee every year.

Key Commitments

All employees are at least subject to an annual performance appraisal by their superiors

Key Commitments

Track and monitor female representation in the workforce

Achievements

- All employees are at least subject to an annual performance appraisal by their superiors.

Female representation in the workforce (%)



Female representation in management (%)



FY2023 progress



- All employees are at least subject to an annual performance appraisal by their superiors.

FY2023 progress



- Female employees decreased slightly to 44% of our entire workforce. Female representation in management decreased slightly to 26%.
- Jiutian has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. We will continue this practice in future years.

Appendix A: Sustainability scorecard

General

Performance indicators	Units	FY2021	FY2022	FY2023
Independent Directors	%	55.5	55.5	55.5
Female on the Board of Directors	%	0	0	0
Confirmed incidents of corruption	Number	0	0	0
Regulatory and compliance incidents	Number	0	0	0
Purchases from local suppliers	RMB'million	1,498	1,726	723
Percentage of purchases from local suppliers	%	100	100	100
Average anti-corruption training hours per employee	Hours	.7	48	48

Quality management

Performance indicators	Units	FY2021	FY2022	FY2023
Plant capacity utilisation rate (DMF)	Percentage	62	67	36
Plant capacity utilisation rate (MA)	Percentage	100	100	64
Investment in maintenance and repairs	RMB'million	12.0	13.6	11.3
Investment in process improvements	RMB'million	3.38	3.36	2.77
Products that meet the quality requirements of our customers	Percentage	100	100	100

Production safety

Performance indicators	Units	FY2021	FY2022	FY2023
Production stoppage due to safety incidents	Number	0	0	0
Number of cases related to fatalities	Number	0	0	0
Number of cases related to high-consequence injuries	Number	0	0	0
Number of cases related to recordable injuries	Number	0	0	0
Number of cases related to recordable work-related ill health cases	Number	0	0	0

Environmental protection

Performance indicators	Units	FY2021	FY2022	FY2023
Environmental incidents	Number	0	0	0
Fines on contravention of environmental regulations	RMB'000	0	0	0
Carbon emission				
Carbon emission (scope 1)	tCO ₂ e	42.9	41.0	36.9
Carbon emission (scope 1) intensity	kgCO ₂ e/tonne	0.17	0.15	0.26
Carbon emission (scope 2)	tCO ₂ e	367,562 ⁸	382,089 ⁸	204,847
Carbon emission (scope 2) intensity	kgCO ₂ e/tonne	1,418 ⁸	1,418 ⁸	1,433
Carbon emission (scope 3)	tCO ₂ e	3,336 ⁸	2,856 ⁸	1,229
Carbon emission (scope 3) intensity	kgCO ₂ e/tonne	12.87 ⁸	10.60 ⁸	8.60
Total carbon emission	tCO ₂ e	370,941 ⁸	384,985 ⁸	206,113
Carbon emission intensity	kgCO ₂ e/tonne	1,431 ⁸	1,429 ⁸	1,442
Gaseous emissions that meet local emission standards	Percentage	100	100	100

⁷ Metrics were not tracked in FY2021.

⁸ Restated. Please refer to 1.6 Restatement for more information.

Performance indicators	Units	FY2021	FY2022	FY2023
Energy consumption				
Total electricity consumption	MWh	75,992 ⁹	72,542 ⁹	41,990
Electricity consumption intensity	kWh/tonne	290 ⁹	270 ⁹	290
Total steam consumption	CT	983,292	1,011,123	534,672.76
Steam consumption intensity	CT/tonne	3.79	3.75	3.74
Total energy consumption	GJ	3,213,894	3,358,585	1,795,713
Energy consumption intensity	GJ/tonne	12.40	12.47	12.57
Water consumption				
Total water consumption	m ³	690,235 ⁹	514,723 ⁹	312,810
Water consumption intensity	m ³ /tonne	2.66 ⁹	1.91 ⁹	2.19
Waste management				
Wastewater discharge that meets local emission standards	%	100	100	100
Total wastewater discharged	m ³	417,359 ⁹	478,236 ⁹	224,391
Wastewater discharge intensity	m ³ /tonne	1.61 ⁹	1.78 ⁹	1.57

Employee well-being

Performance indicators	Units	FY2021	FY2022	FY2023
Employment				
Total number of employees	Number	567	578	542
Total number of local employees	Number	567	578	542
Employee new hiring rate	%	38	6	3
Employee turnover	%	9	0.8	9.4
Employees are subject to regular performance appraisal	%	100	100	100
Employee by gender				
Female in management	%	28	29	26
Male employee	%	56	56	56
Female employee	%	44	44	44
Employee by age group				
Above 50	%	- ¹⁰	9	8
30-50	%	- ¹⁰	82	83
Below 30	%	- ¹⁰	9	9
New hires by gender				
Male new hires	%	58	33 ⁹	40
Female new hires	%	42	67 ⁹	60
New hires by age group				
Above 50	%	- ¹⁰	3	0
30-50	%	- ¹⁰	73	67
Below 30	%	- ¹⁰	22	33
Employee turnover by gender				
Male resignee	%	68	40	47
Female resignee	%	32	60	53
Employee turnover by age group				
Above 50	%	- ¹⁰	0	18

⁹ Restated. Please refer to 1.6 Restatement for more information.

¹⁰ Metrics were not tracked in FY2021.

Performance indicators	Units	FY2021	FY2022	FY2023
30-50	%	- ¹¹	80	72
Below 30	%	- ¹¹	20	10
Training				
Investment in training	RMB'000	67	50	96
Total training hours	Hours	46,858	46,925	44,085
Average training hours per employee	Hours	83	81	81
Average training hours per male employee	Hours	- ¹¹	80	81
Average training hours per female employee	Hours	- ¹¹	83	81

¹¹ Metrics were not tracked in FY2021.

Appendix B: GRI content index

GRI Standards Content Index

The GRI Content Index references the Jiutian Chemical Group Limited Sustainability Report 2023 (“SR”), and the Annual Report 2023 (“AR”).

Disclosure number	Disclosure title	Page reference and remarks	
GRI 2: General disclosures			
The organisation and its reporting practices	2-1	Organisation details	<ul style="list-style-type: none"> AR Corporate Profile
	2-2	Entities included in the organisation’s sustainability reporting	<ul style="list-style-type: none"> Section 1.3 of the SR: Scope of sustainability report
	2-3	Reporting period, frequency, and contact point	<ul style="list-style-type: none"> Section 1.3 of the SR: Scope of sustainability report Section 1.5 of the SR: Sustainability contact
	2-4	Restatements of information	<ul style="list-style-type: none"> Section 1.6 of the SR: Restatement
	2-5	External assurance	<ul style="list-style-type: none"> No External Assurance
Activities and workers	2-6	Activities, value chain, and other business relationships	<ul style="list-style-type: none"> AR Corporate Profile
	2-7	Employee	<ul style="list-style-type: none"> Appendix A of the SR: Sustainability scorecard
	2-8	Workers who are not an employee	<ul style="list-style-type: none"> Not applicable
Governance	2-9	Governance structure and composition	<ul style="list-style-type: none"> AR Corporate Governance
	2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-11	Chair of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> AR Corporate Governance
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> AR Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Section 2.1 of the SR: Sustainability of organisational structure
	2-15	Conflicts of interest	<ul style="list-style-type: none"> AR Corporate Governance
	2-16	Communication of critical concerns	<ul style="list-style-type: none"> Section 2.3 of the SR: Consulting our stakeholders
	2-17	The collective knowledge of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance
	2-19	Remuneration policies	<ul style="list-style-type: none"> AR Corporate Governance
	2-20	The process to determine the remuneration	<ul style="list-style-type: none"> AR Corporate Governance
	2-21	Annual total compensation ratio	<ul style="list-style-type: none"> AR Corporate Governance
Strategy, policies, and practices	2-22	Statement on Sustainable Development Strategy	<ul style="list-style-type: none"> Section 2.2 of the SR: Sustainability strategy

Disclosure number	Disclosure title	Page reference and remarks	
2-23	Policy commitments	<ul style="list-style-type: none"> Section 3.1 of the SR: How we measure our performance 	
2-24	Embedding policy commitments	<ul style="list-style-type: none"> Section 3.1 of the SR: How we measure our performance 	
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> Section 2.2 of the SR: Sustainability strategy 	
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> AR Corporate Governance Section 2.3 of the SR: Consulting our stakeholders 	
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection 	
2-28	Membership associations	<ul style="list-style-type: none"> Not Applicable 	
Stakeholder engagement	2-29	Approach to Stakeholder Engagement	<ul style="list-style-type: none"> Section 2.3 of the SR: Consulting our stakeholders
	2-30	Collective bargaining agreements	<ul style="list-style-type: none"> Not Applicable
GRI 3: Disclosures on material topics			
Material topics	3-1	The process of determining material topics	<ul style="list-style-type: none"> Section 2.4 of the SR Sustainability Materiality
	3-2	List of material topics	<ul style="list-style-type: none"> Section 2.4 of the SR Sustainability Materiality
	3-3	Management of material topics	<ul style="list-style-type: none"> Section 2.4 of the SR: Sustainability materiality Section 3.2 of the SR: Quality management Section 3.3 of the SR: Production safety Section 3.4 of the SR: Environmental protection Section 3.5 of the SR: Employee well-being
GRI 200: Economic disclosures (applicable sections only)			
Economic performance	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> AR Financial Highlights
Procurement practices	204-1	The proportion of spending on local suppliers	<ul style="list-style-type: none"> Section 3.2 of the SR: Quality management
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> There are no incidences of corruption.
Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<ul style="list-style-type: none"> There are no legal actions for anti-competition.
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection
Water	303-1	Water withdrawal by source	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection
	303-3	Water recycled and reused	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection
Emissions	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection Appendix A of the SR: Sustainability scorecard
	305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection Appendix A of the SR: Sustainability scorecard
	305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection Appendix A of the SR: Sustainability scorecard
	305-4	GHG emissions intensity	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection Appendix A of the SR: Sustainability scorecard
Effluents and waste	306-1	Water discharge by quality and destination	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection
	306-2	Waste by type and disposal method	<ul style="list-style-type: none"> Section 3.4 of the SR: Environmental protection

Disclosure number	Disclosure title	Page reference and remarks
	306-3	Significant spills <ul style="list-style-type: none"> There are no incidences of significant spills.
	306-4	Transport of hazardous waste <ul style="list-style-type: none"> Section 3.3 of the SR: Production safety
Laws and regulations	307-1	Non-compliance with environmental laws and regulations <ul style="list-style-type: none"> There is no non-compliance with environmental laws and regulations.
GRI 400: Social disclosures (applicable sections only)		
Employment	401-1	New employee hires and employee turnover <ul style="list-style-type: none"> Section 3.5 of the SR: Employee well-being Appendix A of the SR: Sustainability scorecard
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees <ul style="list-style-type: none"> Section 3.5 of the SR: Employee well-being
Occupational health and safety	403-1	Occupational health and safety management system <ul style="list-style-type: none"> Section 3.3 of the SR: Production safety Appendix A of the SR: Sustainability scorecard
	403-5	Worker training in occupational health and safety <ul style="list-style-type: none"> Section 3.3 of the SR: Production safety Appendix A of the SR: Sustainability scorecard
	403-9	Work-related injuries <ul style="list-style-type: none"> Section 3.3 of the SR: Production safety Appendix A of the SR: Sustainability scorecard
	403-10	Work-related ill health <ul style="list-style-type: none"> Section 3.3 of the SR: Production safety Appendix A of the SR: Sustainability scorecard
Training and Education	404-1	Average hours of training per year per employee <ul style="list-style-type: none"> Section 3.5 of the SR: Employee well-being Appendix A of the SR: Sustainability scorecard
	404-2	Programs for upgrading employee skills and transition assistance programs <ul style="list-style-type: none"> Section 3.2 of the SR: Quality management Section 3.3 of the SR: Production safety Section 3.5 of the SR: Employee well-being
	404-3	Percentage of employees receiving regular performance and career development reviews <ul style="list-style-type: none"> Section 3.5 of the SR: Employee well-being
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees <ul style="list-style-type: none"> Section 3.5 of the SR: Employee well-being
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken <ul style="list-style-type: none"> There are no incidents of discrimination.
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour <ul style="list-style-type: none"> Child labour is strictly prohibited.
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour <ul style="list-style-type: none"> Forced and compulsory labour is strictly prohibited.
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs <ul style="list-style-type: none"> Section 3.3 of the SR: Production safety Section 3.5 of the SR: Employee well-being
Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area <ul style="list-style-type: none"> There is no non-compliance with socioeconomic laws and regulations.

Appendix C: Methodologies and Data Boundaries

This section details the key definitions, methodologies, and data boundaries applied to Jiutian's Sustainability Report to enhance transparency and facilitate the comparability of the data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

Carbon emissions

Scope 1 emissions refer to emissions generated from the direct consumption of fuels in our operations. The emission factors used for calculating carbon emissions are obtained from The United Kingdom Department for Environmental, Food & Rural Affairs ("**UK Defra**").

Scope 2 emissions refer to emissions from the generation of purchased or acquired electricity and steam in our operations. The Grid Emission Factor ("**GEF**") used for calculating carbon emissions for electricity and steam is obtained from the Ministry of Ecology and Environment of the People's Republic of China ("**MEECN**").

Scope 3 emissions refer to emissions generated from the consumption of fuels used for the delivery of our products. The emission factor used for calculating carbon emissions is obtained from the International Energy Agency ("**IEA**").

All GHG emissions are expressed in tonnes of carbon dioxide equivalent ("**tCO₂e**").

Carbon emissions intensity

This is the ratio of carbon emissions relative to the total tonnes of production of Jiutian's products, expressed in kilogram per tonne of production ("**kgCO₂e /tonnes**").

Energy consumption

This represents purchased electricity and steam consumed in our operations. Electricity consumed is expressed in megawatt-hours ("**MWh**") and steam consumed is expressed in cooling tonnes ("**CT**"). The total energy consumed is expressed in gigajoules ("**GJ**").

Energy consumption intensity

This is the ratio of energy consumption relative to the total tonnes of production of Jiutian's products, with electricity consumption intensity expressed in kWh per tonne of production ("**kWh/tonnes**"), steam consumption intensity expressed in CT per tonne of production ("**CT/tonnes**"), and total energy intensity expressed in GJ per tonne of production ("**GJ/tonnes**").

Water consumption

This represents the total volume of water consumed. For industrial water, the water is sourced from Jiutian's principal supplier and controlling shareholder, Anyang Chemical Industry Group Co., Ltd. (安阳化学工业集团有限责任公司) ("**Anhua**"). Freshwater, primarily dedicated to office and workers' domestic needs, is sourced from the local municipality. Water consumption is expressed in cubic meters ("**m³**").

Water consumption intensity

This is the ratio of water consumption relative to the total tonnes of production of Jiutian's products, expressed in m³ per tonne of production ("**m³/tonnes**").

Wastewater discharged

This represents the volume of wastewater discharged by Jiutian through our parallel biological treatment tanks. Wastewater discharged is expressed in m³.

Wastewater discharge intensity

This is the ratio of wastewater discharged relative to the total tonnes of production of Jiutian's products, expressed in m³/tonnes.

New hires and turnover

New hires are defined as new employees who have joined Jiutian during the financial year.

Turnover is defined as all employees who have left Jiutian voluntarily, or due to dismissal, retirement, or death in service during the financial year.

New hires/turnover rate is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded at financial year-end.

New hires/turnover rate by age group is the total number of new hires/employee turnovers for each age group in the financial year, relative to the total number of new hires/resignees recorded at financial year-end.

New hires/turnover rate by gender is the total number of female/male new hires/employee turnovers for each gender in the financial year, relative to the total number of new hires/resignees recorded as at financial year-end.

Training hours

Average training hours per employee is the total number of training hours incurred during the financial year provided to employees, relative to the total number of employees recorded as of financial year-end.

Average training hours per female/male employee is the total number of training hours provided to female/male employees, relative to the total number of female/male employees recorded as of financial year-end.

Fatalities in workplace

The number of fatalities as a result of work-related injury during the reporting period across the organisation.

High-consequence injuries in the workplace

Number of high-consequence work-related injuries (an injury that results in a fatality from which the worker cannot fully recover to pre-injury health status within 6 months) excluding fatalities during the reporting period.

Recordable injuries

The number of recordable work-related injuries during the reporting period.

Recordable work-related ill health cases

The number of recordable work-related illnesses or health conditions arising from exposure to hazards at work during the reporting period.

Appendix D: TCFD recommendations content index

TCFD Recommendations Content Index

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
1. Governance		
Disclose the organisation's governance around climate-related risks and opportunities	<ul style="list-style-type: none"> (a) Describe the board's oversight of climate-related risks and opportunities (b) Describe management's role in assessing and managing climate-related risks and opportunities 	The Group is currently in the process of establishing governance mechanisms to address climate-related risks and opportunities, which includes defining roles and responsibilities for both the board and management. The Group intends to provide disclosure on this in FY2024.
2. Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	<ul style="list-style-type: none"> (a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term (b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning (c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario 	The Group is currently in the process of developing a climate risk management framework to identify and assess climate-related risks and opportunities. The Group intends to provide disclosure on this in FY2024.
3. Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	<ul style="list-style-type: none"> (a) Describe the organisation's processes for identifying and assessing climate-related risks (b) Describe the organisation's processes for managing climate-related risks (c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management 	The Group is currently in the process of developing a climate risk management framework to identify and assess climate-related risks and opportunities. The Group intends to provide disclosure on this in FY2024.
4. Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> (a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process (b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks (c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets 	<p>The Group has disclosed Scope 1, Scope 2, and Scope 3 carbon emissions. Furthermore, The Group is currently working on developing a more comprehensive disclosure of Scope 3 carbon emissions and intends to provide disclosure on this in the future along with a long-term target for our carbon emissions.</p> <p>For our scope 1, scope 2, and scope 3 carbon emissions, please refer to Section 3.4 of the SR: Environmental protection.</p>