



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

SUSTAINABILITY REPORT 2024



JOURNEYING
AHEAD WITH
**UNWAVERING
COMMITMENT**

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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.

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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**”), methylamine (“**MA**”) and dimethylacetamide (“**DMAC**”) in the People’s Republic of China (“**PRC**”). We are also involved in the processing and sale of consumable carbon dioxide.

We are located in Henan, with a population of 98 million, which together with surrounding provinces have a combined population of 550 million. Whilst economic development and industrialisation in China began on the eastern and southern coast, this process has begun to spread rapidly inland, including to Henan and its surrounding regions, where cost of labour, land and raw materials are significantly lower.

Additionally, our location in the PRC’s Coal Belt provides a cost advantage due to secure and cost-effective access to coal-based raw materials essential for our manufacturing processes. Our efficiency is further strengthened by optimised production methods and a streamlined supply chain strategy, including the direct piping of raw materials from our main supplier, enhancing our overall 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 consists of customers in Henan, the surrounding provinces adjacent to Henan, namely Hebei, Shaanxi, Shanxi, Hubei, Shandong, and Anhui, and provinces in the Yangtze Delta Region, namely, Jiangsu and Zhejiang.

The Group’s wholly owned subsidiary company, Anyang Jiutian Fine Chemical Co.,Ltd (“**Anyang Jiutian**”) is engaged in the manufacturing and production of DMF and MA. Anyang Jiutian has emerged as one of the world’s largest manufacturers of DMF with a total annual capacity of 150,000 tons of DMF and 250,000 tons of MA.

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

We are 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

“We strive to embed sustainability into our business strategies and policies, recognising that integrating these principles not only reinforces our commitment but also aligns with evolving industry standards.”

On behalf of the Board of Directors, I am delighted to present the Sustainability Report (“SR”) for the financial year ended 31 December 2024 (“FY2024”).

FY2024 witnessed significant climate changes, marked by extreme weather events such as heavy rainfall, floods and wildfires occurring across the globe. As a producer of DMF and MA in China, Jiutian is primed to take a vital role in Environmental, Social and Governance (“ESG”) practices, ensuring long-term sustainability while fulfilling our responsibilities to stakeholders. We remain dedicated to fostering meaningful engagement with stakeholders, guided by four core pillars: Quality Management, Production Safety, Environmental Protection, and Employee Well-being.

Recognising the Chinese government's increasing focus on environmentally friendly industrial practices, we understand the necessity of staying abreast of evolving regulatory frameworks. In response, we are committed not only to meeting but exceeding these standards, enhancing our operations with a stronger focus on environmental responsibility.

FY2024 was a year marked by persistent macroeconomic headwinds, including fluctuations in global markets, trade tensions, geopolitical conflicts, as well as ongoing supply chain disruptions, and rising costs. These have inevitably posed uncertainties and challenges to our operating environment. Within our domestic market, we faced depressed pricing for our main products, DMF and MA, primarily impacted by the industry-wide softening in demand due to China's overall economic slowdown, and further exacerbated by increased supply from new competitors and rising costs of raw materials such as synthetic ammonia. These factors compelled us to take a step back to halt our production of these products to minimise losses.

While addressing business challenges, our dedication to ESG principles remains unwavering. We have implemented initiatives aimed at fortifying our energy management strategy. From reducing lighting, adopting suitable electrical equipment with sufficient output to lower energy consumption, to

regularly promoting energy conservation awareness to employees. Furthermore, we also have invested significant resources in upgrading our assets through process improvements, prioritising eco-efficiency in production to reduce energy consumption. In FY2024, we have enhanced our climate-related disclosures, with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). This will allow our stakeholders to gain a comprehensive understanding of the Group's responses to the urgent need for efforts to combat climate change.

Our commitment to creating a fair, safe and healthy workplace for our employees is reflected in our focus on competence development, operational safety and employee well-being. We continuously invest in skill development to ensure our team members remain competitive and relevant, especially in an era of rapid change. Compliance with stringent safety regulations, coupled with our dedication to workplace safety, allows us to maintain an environment where employees can thrive.

Looking ahead, we remain committed to sustainability, continuously enhancing our management approach and exploring innovative technologies to improve operational efficiency and maximise returns. We strive to embed sustainability into our business strategies and policies, recognising that integrating these principles not only reinforces our commitment but also aligns with evolving industry standards. Our growth as a business is deeply connected to our ability to create positive environmental and social impacts. We remain dedicated to building a better future for our community, employees, and the planet. This report reflects our ongoing dedication to a sustainable future for all.

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 the Group's wholly owned subsidiary, Anyang Jiutian, from 1 January 2024 to 31 December 2024 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 in compliance with 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.

This report is also developed 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 developing this 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 our stakeholders. Please refer to **Appendix B** for the GRI Content Index.

Furthermore, this report is prepared with reference to the TCFD recommendations. We have adopted a phased approach in alignment with the recommendations in SGX-ST Practice Note 7F Sustainability Reporting Guide, focusing on specific areas of climate-related financial disclosures in our reporting. This approach allows us to effectively address key elements of climate risks and opportunities within the scope of our operations and business activities. Please refer to **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 Group'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 Group 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 Restatements

No restatement was made from the previous report.

1.6 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".



2. Our Approach to Sustainability

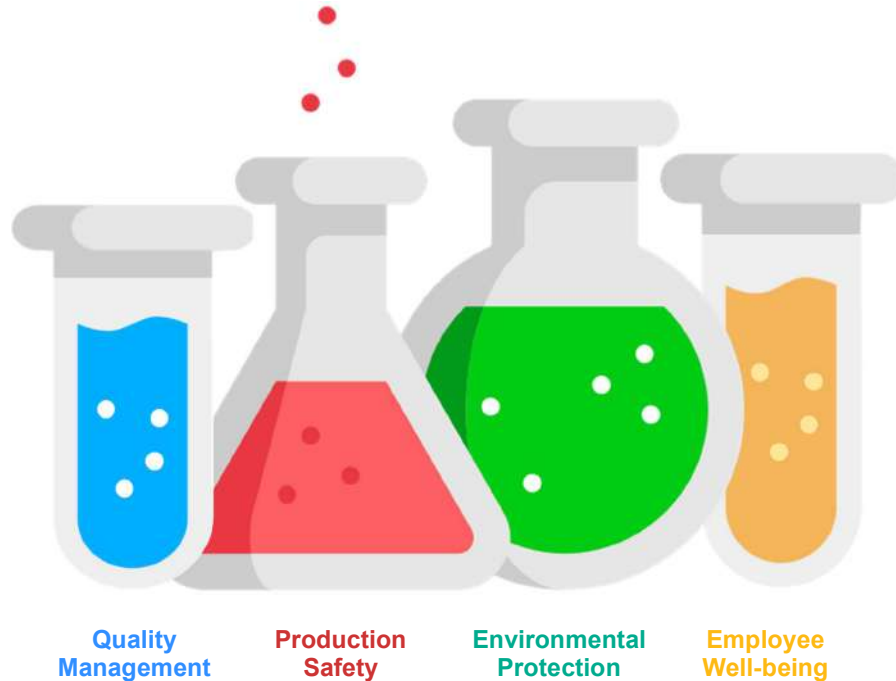
2.1 Sustainability organisational structure

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.

Leadership	<ul style="list-style-type: none">•The Board of Directors establishes the sustainability framework while the Management sees through the implementation of the framework.
Organisers	<ul style="list-style-type: none">•Acting Chief Executive Officer ("CEO") is in charge of organising and coordinating the sustainability work in various committees and departments.
Executives	<ul style="list-style-type: none">•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 GRI Standards and SR 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 the Group.

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 Group'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 Catalist 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 Group'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, Anyang 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 ('UN SDGs')

To establish a comprehensive sustainability program, we have incorporated key commitments aligned with UN SDGs 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, the Group supports UN SDGs 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 UN 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 emphasising 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. Recognising the significance of safeguarding natural resources and minimising 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 utilising 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>We acknowledge the significance of innovation in DMF and MA production and are dedicated to adopting new, sustainable technologies in our operations. Recognising 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. 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 FY2024, we faced depressed pricing for our main products, DMF and MA, primarily impacted by the industry-wide softening in demand due to China's overall economic slowdown and further exacerbated by increased supply from new competitors and rising costs of raw materials such as synthetic ammonia. These factors compelled us to take a step back to halt our production of these products to minimise losses. As a result, the MA plant capacity utilisation rate fell to 5%, while the DMF plant capacity utilisation rate was zero, this is a sharp decline from the previous level of 64% and 36% respectively in FY2023.

In response, we have taken proactive steps to evaluate our strategies and operations. We refined our approach and focused on areas such as operational efficiency, cost management, and business diversification. In addition, the Group has also taken advantage of the market downturn by realigning our production processes and enhancing synergy. Our investment into the Synthetic Ammonia Project and Lease of Urea initiated in March 2024. Our wholly owned subsidiary, Anyang Jiutian, had actively facilitated the process to secure loan financing for the Synthetic Ammonia Project in FY2024. Furthermore, Anyang Jiutian is also in the process of completing the preliminary work required for undertaking the construction of the Synthetic Ammonia production facility and Lease of Urea production facility, including applying for requisite approvals, registrations, filings, permits and other necessary documentation from relevant authorities. We keep monitoring the progress of the Synthetic Ammonia Project and Lease of Urea, we will make the necessary announcements, in accordance with the Catalyst Rules, to keep shareholders informed of any material updates or developments.

The construction of our new 100,000 tonne MA Plant is substantially completed and it is now ready for testing and commissioning. The Group will begin the testing phase when appropriate taking market conditions into consideration. We will continue to monitor the market and stay adaptable to any changes that arise.

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

FY2024 Progress

0%

DMF plant capacity utilisation rate

5%

MA plant capacity utilisation rate

3.5m

Investment in maintenance and repairs (RMB)

2.6m

Investment in process improvements (RMB)

100%

Product acceptance rate by our customers

Ongoing maintenance and repairs

We prioritise regular maintenance and repairs in the DMF and MA plants 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 FY2024, we invested RMB 3.5 million in maintenance and repairs, a significant decrease from RMB 11.3 million in FY2023. With a reduction in overall production volume, expenses related to the maintenance and repairs of production equipment also decreased.

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 FY2024, we spent a total of RMB 2.6 million on process improvements, a decrease of 7% compared to RMB 2.8 million in FY2023, primarily spent on the installation of waste heat recovery and utilisation in the MA and DMF plants, and the energy-saving and carbon reduction research on the distillation and reflux of MA.

Stringent quality management

Our commitment to quality is unwavering, we adhere to the highest industry standards in every stage of the manufacturing process through our stringent quality management. Since FY2017 our operation has been certified under the ISO 9001:2015 - Quality Management System, underscores our unwavering quality commitment. The certification was latest renewed in June 2023 and is scheduled for renewal 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 FY2024, which is the same achievement rate in FY2023.

Purchases from Anhua

Anyang 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. With effect from 1 January 2025, Anyang Jiutian has renewed the supply agreement with Anhua which is renewable on an annual basis.

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.

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

Anyang Jiutian purchases entirely from 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 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 (%) <div> <div>2024 0</div> <div>2023 36</div> <div>2022 67</div> </div> Plant Capacity Utilisation for MA (%) <div> <div>2024 5</div> <div>2023 64</div> <div>2022 100</div> </div>	FY2024 progress <ul style="list-style-type: none"> In FY2024, product prices experienced a sharp decline, prompting a precautionary halt in production to minimise losses. The production halt has reduced the DMF plant capacity utilisation rate to zero, while the MA plant capacity utilisation rate has dropped significantly to 5%. We are committed to closely monitoring and reporting on our plants capacity utilisation rates for both products for FY2025.
Key Commitments Track and report ongoing maintenance, repairs, and improvements	Maintenance and repairs (RMB'million) <div> <div>2024 3.5</div> <div>2023 11.3</div> <div>2022 13.6</div> </div> Process improvements (RMB'million) <div> <div>2024 2.6</div> <div>2023 2.8</div> <div>2022 3.4</div> </div>	FY2024 progress <ul style="list-style-type: none"> Regular maintenance and repairs continue to be carried out periodically. Maintenance and repairs expenses in FY2024 are RMB 3.5 million, a significant decrease by 69% from RMB 11.3 million in FY2023 due to the production halt. The amount spent on process improvement in FY2024 is RMB 2.6 million, a decrease by 7% compared to RMB 2.8 million in FY2023. We will continue to improve the efficiency and effectiveness of our production workflow through process improvement initiatives.
Key Commitments Full compliance with ISO9001:2015 (Quality Management System)	Achievements <ul style="list-style-type: none"> ISO9001:2015 certified since FY2017 and has been renewed every three years. 	FY2024 progress <ul style="list-style-type: none"> Jiutian has been fully compliant with the requirements of ISO9001:2015 since FY2017.
Key Commitments Achieve a 100% product acceptance rate by our customers	Achievements <ul style="list-style-type: none"> Achieved 100% product acceptance rate by our customers since FY2017. 	FY2024 progress <ul style="list-style-type: none"> 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

At Jiutian, safety is our highest priority, especially when dealing with hazardous chemicals in our production processes. We are committed to fostering a strong safety culture across all operations, ensuring strict adherence to safety standards. Our goal is to instil a safety-conscious workplace where every employee actively contributes to maintaining 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.

Effective safety production and emergency preparedness

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.

We regularly conduct training sessions on plant machinery operation and management. These programs help workers develop a deep understanding of the machinery, and enhance their technical skills, and ability to operate equipment safely, ultimately strengthening overall workplace safety and production efficiency.

We initiated various activities in June 2024 focusing on the theme of the Safety Production Month: "Safety for all, Emergency preparedness for everyone – Smoothing the passage of life 人人讲安全、个个会应急—畅通生命通道".



Emergency drills



Emergency drills

On 13 June 2024, a specialised emergency drill addressing material leakage and fire was conducted at our new 100,000-tonne MA plant. 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.

Furthermore, on 24 June 2024, we organised a competition that challenged participants with a series of

FY2024 Progress

0

Production stoppage due to safety incidents

0

Serious incidents

0

Workplace injuries

questions varying in difficulty on safety production, energy conservation, and environmental protection knowledge, enriching our knowledge and preparedness.



Safety awareness training



Safety production competition

In this Safety Production Month, we also organised group supervisors and female worker coordinators from various production units to inspect on-site hidden dangers. Any problems found should be corrected in a timely manner and reported to the plant supervisor to rectify them promptly. This month, a total of 53 hidden dangers were identified in the MA plant, gasification plant, air separation plant and packaging plant, all have been rectified.

While we emphasise 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 2024 Fire Safety Awareness Month Activities 关于开展2024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.

We also organised fire safety training and exams for all employees to enhance their knowledge and awareness of fire safety.



Safety supervisors signed on the Safety banner



Safety exam

We persist in conducting safety awareness education initiatives to fortify accident management. Every Monday before the weekly meeting, Anyang Jiutian collectively reviewed the safety warning educational video such as "Hunan Changsha 29 April Major Self-built Residential House Collapse Accident" (湖南长沙“4.29”特别重大居民自建房倒塌事故安全警示教育视频), "Hebei Dajiang Chemical Group Co., Ltd. 24 September 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), "Shandong Binyuan Chemical 31 August Major Explosion Accident" (山东滨源化学 8.31 重大爆炸事故). This session enhanced our knowledge and preparedness, reinforced adherence to relevant laws, regulations, and institutional provisions in production, and intensified efforts to identify and mitigate potential hazards.

Production safety management

We are committed to production safety and have established a set of Production Safety Management Policies 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 for 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
- 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

Commitments: Production safety

Key Commitments	Achievements	FY2024 progress
Full compliance with production safety laws and regulations	<ul style="list-style-type: none">• Achieved zero production stoppage due to safety incidences and zero serious accidents	<ul style="list-style-type: none">• By fostering a strong safety culture, maintaining production safety, and prioritising emergency preparedness, we consistently achieve zero production stoppages due to safety incidents and zero serious accidents.
Key Commitments	Achievements	FY2024 progress
Full compliance with ISO45001:2018 (Occupational Health & Safety Management System)	<ul style="list-style-type: none">• ISO45001:2018 re-certified from June 2023 with a validity of three years.	<ul style="list-style-type: none">• Anyang 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. 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.

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.

FY2024 Progress

0

Environmental incidents

0

Fines on contravention of environmental regulations (RMB)

2,237 kgCO₂e

Carbon footprint per tonne of production

100%

Gaseous emissions that meet local emission standards

100%

Wastewater discharge that meets local emission standards

16.58 m³

Water consumption per tonne of production

5.05 m³

Wastewater discharge per tonne of production

TCFD Recommended Disclosures

Governance	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • Source pollution management • Air pollution monitoring • Proper discharge of solid and liquid waste • Pollution management • Pollution management diagrams for our production of DMF and MA <p>Jiutian has achieved full compliance with the ISO14001:2015 standard for Environmental Management Systems 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.</p>		
Strategy	<p>In FY2024, we carried out a comprehensive reassessment of climate-related risks in collaboration with the management teams across our business units. This evaluation thoroughly examined both the likelihood and potential impact of climate risks on our operations. The risks were categorised into three distinct time horizons which are short-term (below 5 years), medium-term (5 to 15 years) and long-term (over 15 years).</p> <p>The following are key climate-related risks identified:</p>		
Climate-Related Risk Category	Description of Risks and Opportunities	Impact	Our Strategy
Policy and Legal	<p>Stricter Environmental Regulations <i>Time horizon: Short-term</i></p> <p>Governments are enforcing stricter emission limits on energy-intensive industries, including the chemical sector.</p> <p>Chemical plants that fail to comply with these enhanced environmental and safety standards may face shutdowns or phased elimination, leading to significant operational disruptions and financial implications.</p>	<p>The Group may be subject to mandatory emission reduction requirements, which could result in substantial capital expenditures for upgrading existing facilities with cleaner production technologies, modifying production processes, or installing emission monitoring systems.</p> <p>Failure to comply with these regulatory standards may lead to enforced corrective actions or, in severe cases, the closure of certain production facilities—potentially resulting in revenue loss and sunk costs.</p>	<p>We proactively monitor evolving regulatory requirements by working closely with external consultants, ensuring continued compliance and reinforcing our commitment to sustainability.</p> <p>At the same time, we carefully assess and adopt emerging technologies, regularly upgrading our facilities to enhance energy efficiency and reduce emissions. These investments in cleaner technologies may lead to necessary adjustments in our pricing strategies to ensure long-term viability.</p> <p>In line with our sustainability goals, we also continuously explore new business opportunities in the production of lower-emission chemicals.</p>
Technology	<p>Disruption caused by sustainable technologies <i>Time horizon: Medium-term</i></p> <p>The rapid emergence of sustainable technologies is driving a shift across the chemical industry, compelling companies to reduce pollution and adopt cleaner production methods.</p> <p>To remain competitive and relevant, we may need to invest in low-emission production technologies—such as upgrading volatile organic compounds (“VOC”) recovery systems which could require significant capital expenditure.</p>	<p>Investments in the development of new technologies may impact cash flows in the short term. Additionally, as competitors transition to low-carbon products, demand for the Group’s existing high-emission chemicals could decline, leading to a potential loss in market share and reduced product competitiveness. This shift may also necessitate the write-off or early retirement of legacy assets or technologies that become obsolete.</p> <p>However, adopting new technologies can offer long-term benefits, including lower operational costs through reduced energy consumption and enhanced efficiency.</p>	<p>The Group has committed substantial resources to support the adoption of new technologies, ensuring sufficient capacity to drive process improvements and enhance eco-efficiency across our production operations. For instance, we have implemented comprehensive heat recovery measures to optimise the utilisation of heat energy from the distillation tower’s reflux in the MA unit, effectively reducing energy consumption and lowering our carbon footprint.</p>

Climate-Related Risk Category	Description of Risks and Opportunities	Impact	Our Strategy
Market	<p>Disruption of supply chain and energy constraints <i>Time horizon: Short-term</i></p> <p>The Group's key suppliers may be forced to cease operations due to tightening environmental compliance requirements. Future suppliers, particularly those operating in high-pollution industries, may also face similar risks as environmental enforcement intensifies.</p> <p>In addition, China's policy shift towards reducing reliance on coal increases the likelihood of government-imposed power restrictions, especially on energy-intensive sectors such as chemical manufacturing, potentially disrupting production and supply continuity.</p>	<p>Supply chain disruptions may lead to production delays and operational instability. Reduced availability of raw materials is expected to drive up input costs and further tighten supply, resulting in increased production expenses for the Group.</p> <p>Furthermore, government-mandated power restrictions and regional energy shortages could directly impact the Group's manufacturing activities, leading to lower production output, higher electricity costs, and, ultimately, reduced profitability.</p>	<p>We have established contingency plans to mitigate the impact of potential supply chain disruptions and government-imposed power restrictions. These include maintaining a diversified supply chain to reduce dependency on any single supplier and enhancing supply resilience.</p> <p>Additionally, we continuously upgrade our production facilities to improve energy efficiency, which helps to reduce our exposure to power-related disruptions and better manage production costs in the face of tightening energy regulations.</p>
Reputation	<p>Reputation risk from sustainability concerns <i>Time horizon: Medium-term</i></p> <p>Our customers are increasingly prioritising sustainable and low-carbon supply chains. A failure to proactively address climate-related risks may result in negative stakeholder perceptions, potentially harming the Group's reputation.</p>	<p>The potential loss of customers due to reputational damage underscores the financial risks associated with negative public perception. In addition, reduced investor confidence stemming from these perceptions may limit access to capital, further constraining the Group's financial flexibility.</p> <p>The Group may also face pressure from local authorities, which could lead to enforced relocation or even the closure of production facilities - resulting in substantial financial losses.</p>	<p>We prioritise open and transparent communication with our stakeholders, ensuring they are well informed about the Group's ongoing commitment to sustainability. This includes providing regular updates on our sustainability initiatives to foster trust, accountability, and long-term engagement.</p>
Acute and Chronic	<p>Extreme weather events – heatwaves, floods and water stress <i>Time horizon: Long-term</i></p> <p>Anyang, China is increasingly exposed to extreme weather events driven by climate change, including heatwaves, floods, and water stress. The region is particularly vulnerable to rising temperatures and prolonged periods of extreme heat, which are projected to increase in both frequency and intensity.</p> <p>In addition, heavy rainfall may result in flooding, while shifting precipitation patterns and rising water demand contribute to growing water stress, posing challenges to operational continuity and resource availability.</p>	<p>Extreme weather events pose significant operational risks, including potential physical damage to facilities, which may result in increased costs for emergency response, repairs, and equipment replacement. Such events can also disrupt transportation networks, hindering the timely delivery of raw materials and delaying the shipment of finished goods to customers and ultimately reducing production volumes and resulting in lost revenue from missed or delayed orders.</p> <p>Additionally, extreme heat conditions can impact employee health and safety, particularly through heat stress, which may reduce productivity, increase absenteeism, and elevate healthcare costs. Rising temperatures may also heighten reliance on cooling systems to maintain safe and continuous operations of our plants and technical facilities, further adding to operational expenses.</p>	<p>We have developed and periodically reviewed our emergency response and business continuity plans to ensure the Group is well-equipped to restore operations promptly after extreme climate events. Regular preventive maintenance is conducted to keep our equipment and facilities in optimal condition, enhancing their ability to withstand severe weather. To address potential logistics disruptions, we have installed chemical storage tanks that enable temporary storage of products when transportation networks are affected. This allows production to continue while mitigating the risk of inventory build-up or loss during transit delays.</p> <p>In addition, the Company has constructed reservoirs and adopted circulating water systems to support a stable water supply and meet cooling demands during periods of water stress. To protect employee health during extreme heat, we provide high-temperature allowances and distribute heatstroke prevention supplies, including food and medication, to ensure workforce safety and well-being.</p>

Risk Management

We acknowledge the critical need for a robust strategy and risk management framework to support our sustainability initiatives. With increasing scrutiny from regulatory bodies, investors, and stakeholders on sustainability and climate-related factors, integrating these considerations into our decision-making process has become a priority.

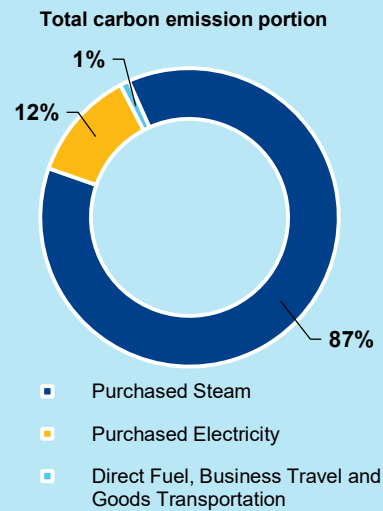
To effectively assess climate risks and opportunities, we have implemented a comprehensive enterprise risk management ("ERM") framework. This framework ensures that climate-related risks are identified, assessed, and managed appropriately. Risks are evaluated through an analysis of the likelihood and impact of each risk, with reviews conducted on an annual basis. The impact of these risks is categorised into 5 tiers – Not significant, Minor, Moderate, Significant, and Very significant. This categorisation helps us prioritise risks and initiatives based on the significance of their impact on our business, allowing us to allocate adequate resources efficiently. The likelihood is assessed as Rare, Unlikely, Possible, Likely, Almost Certain. Based on this assessment, risks are managed through various strategies, including enhancing existing internal controls or implementing new controls to mitigate and transfer risks. We also develop monitoring mechanisms to review the effectiveness of our strategies.

Recognising the interconnected nature of climate-related risks with other business risks, we have integrated climate considerations into our broader risk management strategy. Our risk management framework is applied consistently to both general business risks and climate-related risks, involving the identification, assessment, and ongoing monitoring of these risks and opportunities in line with our enterprise risk management framework.

Metrics

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:

- Scope 1 emissions are attributed to the consumption of all transportation fuels.
- Scope 2 emissions are primarily driven by purchased electricity and steam used in our facilities.
- Scope 3 emissions resulting from business travel, and transportation of goods to our customers.



Scope 1

In FY2024, our scope 1 emissions amounted to 31 tonnes of carbon dioxide equivalent ("tCO₂e"), reflecting a 16% decrease from 37 tCO₂e in FY2023. These emissions are attributed to the consumption of all transportation fuels, including 11,881 litres of petrol and 1,211 litres of diesel, which decreased respectively 14% and 26% compared to FY2023 fuel consumption. The scope 1 emission intensity amounted to 4.07 kgCO₂e per tonne of production ("kgCO₂e/tonne").

Scope 2

Our scope 2 emissions totalled 17,131 tCO₂e driven by purchased electricity and steam, this represents a substantial 92% reduction compared to 204,847 tCO₂e in FY2023. In FY2024, the total purchased electricity was 3,505 Megawatt-hours ("MWh") which generated 1,999 tCO₂e, and the total purchased steam was 137,568 Gigajoules ("GJ") which generated 15,132 tCO₂e. Notably, the emissions from purchased steam accounted for 88% of our scope 2 emissions. The scope 2 emission intensity amounted to 2,233 kgCO₂e/tonne.

Overall, in FY2024, the Group generated 17,162 tCO₂e scope 1 and scope 2 emissions, reflecting a sharp decrease of 92% from 204,884 tCO₂e in FY2023. The carbon emission mainly arises from purchased electricity and steam used in the production process which accounted for 99% of our total carbon footprint. The scope 1 and scope 2 emissions intensity amounted to 2,237 kgCO₂e/tonne, representing an increase of 56% compared to 1,433 kgCO₂e/tonne in FY2023.

The decline of generated carbon emissions was primarily due to our production halt during the year, leading to the decline in our transportation fuels, purchased electricity and steam. However, the emission intensity increased because the production volume dropped by 95%, a larger reduction compared to emissions reduction.

Scope 3

Our scope 3 emissions were primarily resulting from business travel, and transportation of goods to our customers, which amounted to 131 tCO₂e. Business travel produced around 9 tCO₂e, a triple increase compared to FY2023 due to the regular travel for sourcing new suppliers for our Synthetic Ammonia Project. While the transportation of goods to our customers produced 122 tCO₂e, decreased by 90% compared to FY2023, resulting from production halting during the period. Overall, our scope 3 emissions decreased 89% from 1,229 tCO₂e in FY2023.

Targets

We have established a short-term and medium-term target to cement our commitment toward a low-carbon emissions business. Using FY2023 as a baseline, our short-term and medium-term target respectively is to reduce the overall scope 1 and scope 2 emissions intensity by 2% by FY2025 and by 10% by FY2030. By comprehensively understanding our GHG emissions performance, we strategically position ourselves to determine the most effective approach to achieving our medium-term target.

Energy efficiency

We acknowledge that energy consumption plays a critical role in both operational expenses and environmental impacts. We are dedicated to implementing energy efficiency initiatives to minimise our carbon footprint and reduce costs.

In FY2024, our total electricity consumption reached 3,505 MWh, reflecting a sharp decline of 92% from 41,990 MWh in FY2023. This was resulting from our production halt during this period, leading to the decline in our purchased electricity. However, our electricity consumption intensity was 457 Kilowatt-hours per tonne of production ("**kWh/tonne**"), an increase by 58% compared to 290 kWh/tonne in FY2023. The increase in electricity consumption intensity occurred because the production volume dropped by 95%, a substantially larger reduction than that of electricity consumption.

Our total steam consumption amounted to 42,438 cooling tonnes ("**CT**"), representing a significant decrease by 92% from 534,673 CT in FY2023. The steam consumption intensity rose to 5.53 CT per tonne of production ("**CT/tonne**"), an increase by 48% compared to 3.74 CT/tonne in FY2023.

Combining both electricity and steam consumption, our total energy consumption for the year amounted to 150,186 Gigajoules ("**GJ**"), with steam consumption accounting for 92% of the total. Our energy consumption intensity amounted to 19.58 GJ per tonne of production ("**GJ/tonne**"), which increased by 56% compared to 12.57 GJ/tonne in FY2023. This increase occurred because the production volume dropped by 95%, a substantially larger reduction than that of total energy consumption.

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. 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.

The project was completed in August 2024. However, due to the production halt of the MA and MDF plants, its implementation could not proceed as planned. As a result, the project's intended operations and objectives remain unfulfilled. We will continue to monitor and provide updates on the project's implementation in the near future.



New reboiler



New reboiler

Our energy-saving initiatives

The Group remains committed to reducing energy consumption through a range of initiatives. As a result, we achieved total electricity cost savings of RMB 764,500, equivalent to 1,087,432 kWh during FY2024. We continue to promote an energy conservation mindset among all employees, reinforcing our commitment to environmental responsibility.



Reduce lighting

- We reduced lighting time based on actual demand during the production halt period. A total of 568 lights, each with an average power of 20W, were turned off for 10 hours from 8 pm to 6 am. This measure reduced electricity consumption by approximately 3,521 kWh per month.



Replace lower capacity water pump

- We replaced a 110 kW water pump in the air separation plant with 18.5 kW water pump. This measure saved 91.5 kW of electricity per hour, equivalent to 68,076 kWh of electricity per month.



Operate during off-peak hours

- The 22 kW wastewater pump in the packaging plant operated exclusively during off-peak hours, from 12 am to 7 am. This optimisation resulted in a daily electricity cost saving of RMB 89, amounting to approximately RMB 32,000 over FY2024.

Gaseous emissions

Fumes generated from MA production contain ammonia which must be securely collected and treated before being safely released into the atmosphere. This ammonia gas from MA production is recovered, purified, and recycled as feedstock for production. As a result, the treated fumes comply with the gas emission standard of Henan Province. As part of our strategy, we remain committed to ensuring that 100% of our gaseous emissions meet local emission standards.

Saving water

Water is primarily used as a natural coolant to maintain the correct temperature of our reactor towers during chemical production. Our water consumption comprises freshwater and industrial waters such as desalinated and deoxygenated water.

In FY2024, our total water consumption amounted to 127,163 m³, reflecting a notable reduction of 59% compared to 312,810 m³ in FY2023. Our water consumption intensity reached 16.58 m³ per tonne of production ("m³/tonne"), marking a 657% increase from 2.19 m³/tonne in FY2023. This sharp increase in water intensity can be attributed to the fact that the production volume dropped by 95%, a much larger reduction compared to water reduction of 59%. Although our production volume decreased by 95% during the period, total water consumption only reduced by 59%. The overall water usage remained high primarily due to continued usage for essential activities, including on-site process replacements, renovation works, and ongoing domestic water consumption for daily operations and maintenance.

Regular monitoring and analysis of water consumption patterns are essential to our water conservation strategy. We promptly take corrective actions to address any unusual consumption. In addition, we run a continuous water conservation campaign to consistently remind our staff of the importance of using water responsibly.

Waste and wastewater management

Waste materials generated from the production MA are minimal, primarily comprised of waste engine oils and materials recovered from the maintenance of piping, meters, and insulation. We collected those wastes in a locked and isolated container and disposed of them through proper biohazard disposal channels.

The MA production process also generates wastewater. Wastewater was disposed to Anhua, our controlling shareholder, for treatment using biological treatment tanks with a handling capacity of up to 15,000 m³ 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 FY2024, we generated a total of 38,707 m³ of wastewater, marking an 83% reduction from 224,391 m³ in FY2023. Our wastewater discharge intensity was 5.05 m³/tonne, which increased 222% from 1.57 m³/tonne in the previous year. The significant increase in wastewater discharge intensity was primarily due to a larger decrease in production volume compared to the decline in wastewater discharge, which includes domestic sewage unrelated to production activities.

We are committed to tracking the waste and wastewater in the coming years, striving to reduce wastewater discharge through ongoing maintenance, repairs, and process improvements and ensuring compliance with the local environmental laws and regulations.



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.

FY2024 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

FY2024 progress



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

Key Commitments

Reduce scope 1 and scope 2 emissions intensity by 2% by FY2025 and by 10% by FY2030 (from an FY2023 baseline)

Scope 1 and scope 2 emissions intensity (kgCO₂e/tonne)

2024	2,237
2023	1,433
2022	1,418

FY2024 progress



- The scope 1 and scope 2 emissions generated in FY2024 was 17,162 tCO₂e, a sharp decline of 92% from 204,884 tCO₂e in FY2023.
- The scope 1 and scope 2 carbon emissions intensity increased by 56% from 1,433 kgCO₂e/tonne in FY2023 to 2,237 kgCO₂e/tonne in FY2024. This rise was primarily due to the production volume dropped by 95%, a larger reduction compared to the emissions decline.

Key Commitments

Track and monitor our performance on wastewater discharge and water consumption

Wastewater discharge intensity (m³/tonne)

2024	5.05
2023	1.57
2022	1.78

Water consumption intensity (m³/tonne)

2024	16.58
2023	2.19
2022	1.91

FY2024 progress



- Wastewater discharge intensity was 5.05 m³/tonne, which increased 222% from 1.57 m³/tonne in the previous year. This significant increase was primarily due to an 83% decline of the wastewater discharge in line with the decrease in production volume during the year.
- Our water consumption intensity has increased by 657% from FY2023. This is primarily due to the production volume dropped by 95%, a much larger reduction compared to the water consumption decline of 59%.

3.5 Employee well-being

Overview

We recognise that our employees are instrumental in the success and growth of our Group. Therefore, we aim to offer work that is meaningful to imbue our employees with a sense of purpose, a market-aligned welfare and rewards package and ongoing training and development opportunities as part of our talent attraction and retention strategy.

We have implemented a comprehensive performance appraisal program and reward system that aligns with appraisal outcomes. This program plays a vital role in assessing the skill levels of our employees, allowing us to develop targeted training programs to address identified skill gaps.

We also believe in an inclusive workplace with a culture where every employee is respected and given full opportunities to reach his or her highest potential. We strive to provide a work environment that is fair, equitable and respectful of social and cultural diversity, regardless of gender, age, religion and any other personal characteristics.

These initiatives have enabled the Group to create a positive work environment for our employees while simultaneously contributing to the local community's economic development and skilled labour resources.

FY2024 Progress

77
Training hours per staff

100%
Employees are subject to regular performance appraisal

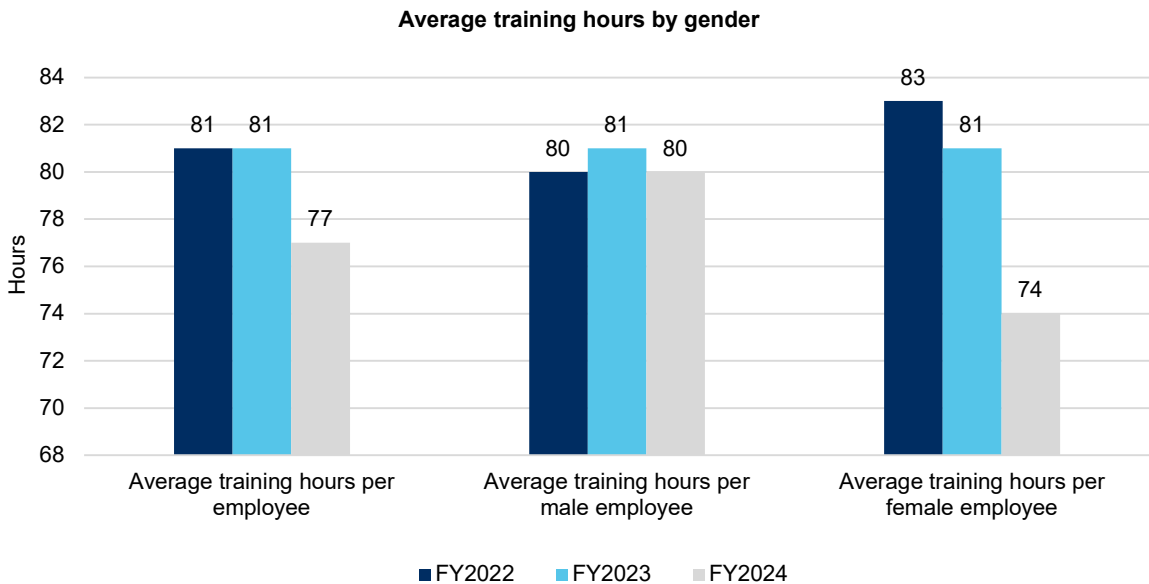
43%
Female representation in the workforce

17%
Female representation in management

Skills competency and employee training

During FY2024, our employees attended in-house training which covered areas such as workplace health and safety, machinery operations, administrative, finance and information technology.

This year, we invested a total of 40,508 training hours with an average of 77 training hours per employee, representing a slight decrease by 5% from 81 hours in FY2023. Notably, we conducted a total of 25,104 hours of anti-corruption training, with an average of 48 hours per employee. We have not achieved our target of a minimum of 80 training hours per employee this year. However, we recognise the importance of continuous learning and will focus more on enhancing our training efforts. To ensure better outcomes, we will build a structured training program that aligns with employee development needs and organisational goals. By strengthening our approach and commitment, we aim to work towards achieving the same target in future years.



Performance appraisal

We have implemented a range of performance appraisal methods that assess both the overall performance of the Group and that of individual employees. The appraisal process primarily relies on measurable evaluation criteria. In addition, we collect performance-related information from employees monthly through feedback from direct supervisors and regular communication sessions.

The data collected helps us gain a comprehensive understanding of the performance and skill development needs of each team and individual employee. This understanding is essential for the Group in designing annual training programs aimed at improving employee skills and boosting overall productivity.

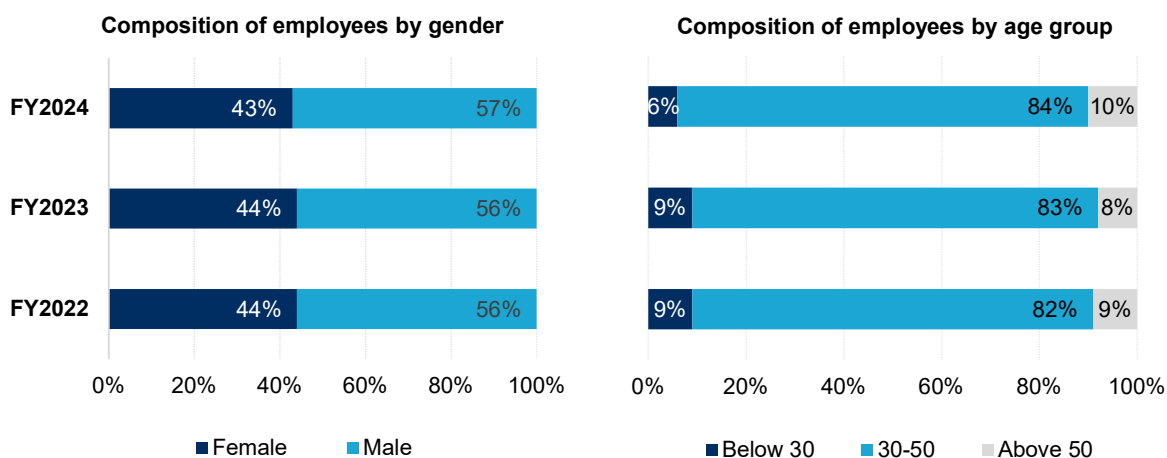
As of FY2024, all employees have participated in at least one annual performance appraisal conducted by their supervisors. We remain committed to continuing this practice in the coming year.

Equal opportunity

The Group is firmly committed to being an equal opportunity employer, dedicated to creating a fair and inclusive workplace that adheres to principles of equity and non-discrimination. In all aspects of recruitment, compensation, promotion, and benefits, we prioritise objective assessments, equal opportunities, and non-discriminatory practices, regardless of factors such as gender, race, marital status, pregnancy, disability, age, or family status.

To attract top talent, we adopt a fair and flexible recruitment strategy that covers all stages, from recruitment applications and job descriptions to interviews, selection, approval, and job offers. Promotions are based exclusively on performance and suitability.

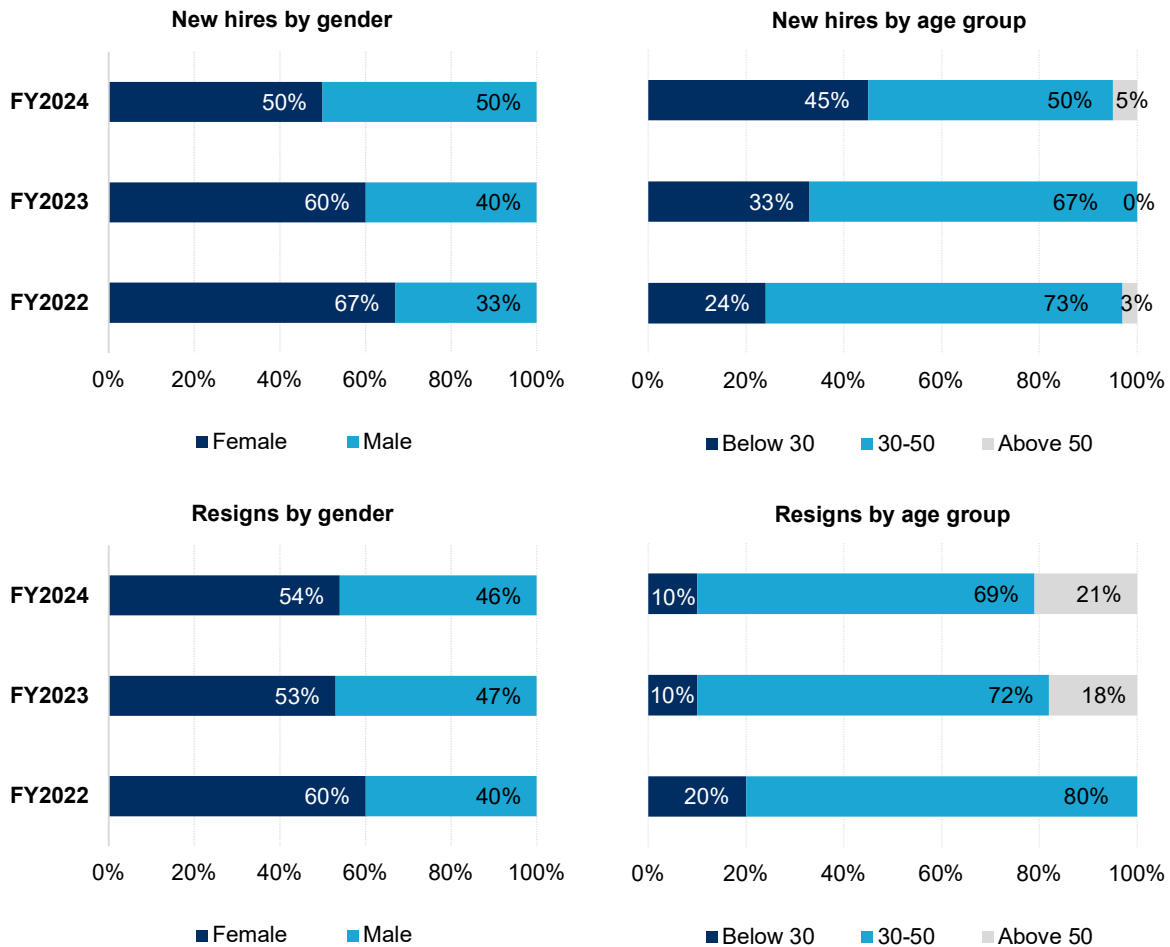
We offer competitive remuneration packages, including essential social benefits, aimed at attracting and retaining skilled talent. These packages are periodically reviewed to ensure alignment with current market standards. Dismissals are conducted in strict compliance with employment laws and regulations, with a strong emphasis on non-discrimination.



As of FY2024, we had a total workforce of 523 employees, with female employees accounting for 43% of the total workforce and 17% representation in management positions. Employees aged 30 to 50 made up 84% of our workforce in FY2024, providing a strong foundation of experience and expertise that significantly enhances the Group's productivity and growth. We aim to maintain no less than 40% female representation across the overall workforce and no less than 15% female within management positions, reflecting our commitment to gender diversity and inclusion.

During FY2024, we employed 20 new employees, our new hire rate was 3.8%, with females accounting for 50% of the new hires. Additionally, new employees aged 30-50 also accounted for 50% of the total new hires, demonstrating our efforts in promoting equal opportunities and diversity.

Our employee turnover rate in FY2024 was 7.5%, with resigned female employees making up 54% and resigned employees aged 30-50 representing 69% of the total resigns.



Encouraging work-life balance

We organised a range of employee activities aimed at promoting overall well-being, strengthening teamwork, and encouraging the development of individual talents. Our goal was to foster a positive mindset that extends beyond the workplace into employees' personal lives.

Understanding the importance of teamwork, well-being, and work-life balance, we regularly organise sports competitions to encourage physical fitness and promote a healthy lifestyle. We also distribute special gift packs during major festivals such as the Spring Festival, Duanwu Festival, and Mid-Autumn Festival, along with family care packages in the summer and winter. Additionally, we prioritise employee health by offering free annual check-ups and providing financial support to those in need.



Table tennis competition held on the occasion of International Labour Day

Business continuity

Sustaining operations amid unforeseen challenges or disruptions plays a vital role in our business. Our unwavering commitment is to ensure business continuity and seamless service delivery, safeguarding our customers from potential impacts.

To achieve this commitment, we designed a comprehensive business continuity plan to enable a swift, coordinated response to any operational disruptions. It clearly defines the roles and responsibilities of key personnel, prioritising employee safety and operational stability. To enhance resilience, we have implemented proactive measures such as diversified supply chains, alternative sourcing strategies, and remote work capabilities, ensuring minimal disruption to our processes.

We ensure the effectiveness and relevance of the business continuity plan by regular testing and updating. We also empower our employees to be well-prepared and responsive in the event of disruptions through continuous training initiatives. Our overarching objective is to maintain resilience and adaptability, navigating unforeseen challenges while safeguarding our employees' well-being and minimising any impact on our customers.

Commitments: Empowering lives

Key Commitments	Training hours per employee (Hours)	FY2024 progress						
Achieve a minimum of 80 hours of training per employee	<table><tr><td>2024</td><td>77</td></tr><tr><td>2023</td><td>81</td></tr><tr><td>2022</td><td>81</td></tr></table>	2024	77	2023	81	2022	81	<ul style="list-style-type: none">The Group invested an average of 77 training hours per employee.We have not achieved our target of a minimum of 80 training hours per employee this year. However, we recognise the importance of continuous learning and will focus more on enhancing our training efforts. We aim to work towards achieving the same target in future years.
2024	77							
2023	81							
2022	81							
Key Commitments	Achievements	FY2024 progress						
All employees are at least subject to an annual performance appraisal by their superiors	<ul style="list-style-type: none">All employees are at least subject to an annual performance appraisal by their superiors.	<ul style="list-style-type: none">All employees are at least subject to an annual performance appraisal by their superiors.						
Key Commitments	Female representation in the workforce (%)	FY2024 progress						
Maintain no less than 40% female representation across the overall workforce and no less than 15% female within management positions	<table><tr><td>2024</td><td>43</td></tr><tr><td>2023</td><td>44</td></tr><tr><td>2022</td><td>44</td></tr></table>	2024	43	2023	44	2022	44	<ul style="list-style-type: none">Female employees accounted for 43% of our entire workforce, a slight decline compared to 44% in FY2023. Female representation in management decreased to 17% primarily due to a reduction in the total number of management employees.We remain committed to fostering gender diversity and will continue to support initiatives that promote equal opportunities for women at all levels of the organization.
2024	43							
2023	44							
2022	44							
	Female representation in management (%)							
	<table><tr><td>2024</td><td>17</td></tr><tr><td>2023</td><td>26</td></tr><tr><td>2022</td><td>29</td></tr></table>	2024	17	2023	26	2022	29	
2024	17							
2023	26							
2022	29							

Appendix A: Sustainability scorecard

General

Performance indicators	Units	FY2022	FY2023	FY2024
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	1,726	723	40
Percentage of purchases from local suppliers	%	100	100	100
Average anti-corruption training hours per employee	Hours	48	48	48

Quality management

Performance indicators	Units	FY2022	FY2023	FY2024
Plant capacity utilisation rate (DMF)	%	67	36	0
Plant capacity utilisation rate (MA)	%	100	64	5
Investment in maintenance and repairs	RMB'million	13.6	11.3	3.5
Investment in process improvements	RMB'million	3.4	2.8	2.6
Products that meet the quality requirements of our customers	%	100	100	100

Production safety

Performance indicators	Units	FY2022	FY2023	FY2024
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	FY2022	FY2023	FY2024
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	41	37	31
Carbon emission (scope 1) intensity	kgCO ₂ e/tonne	0.15	0.26	4.07
Carbon emission (scope 2)	tCO ₂ e	382,089	204,847	17,131
Carbon emission (scope 2) intensity	kgCO ₂ e/tonne	1,418	1,433	2,233
Carbon emission (scope 3)	tCO ₂ e	2,856	1,229	131
Carbon emission (scope 3) intensity	kgCO ₂ e/tonne	10.60	8.60	17.02
Total carbon emission (scope 1 and scope 2)	tCO ₂ e	382,130	204,884	17,162
Carbon emission intensity (scope 1 and scope 2)	kgCO ₂ e/tonne	1,418	1,433	2,237
Gaseous emissions that meet local emission standards	%	100	100	100

Performance indicators	Units	FY2022	FY2023	FY2024
Energy consumption				
Total electricity consumption	MWh	72,542	41,990	3,505
Electricity consumption intensity	kWh/tonne	270	290	457
Total steam consumption	CT	1,011,123	534,673	42,438
Steam consumption intensity	CT/tonne	3.75	3.74	5.53
Total energy consumption	GJ	3,358,585	1,795,713	150,186
Energy consumption intensity	GJ/tonne	12.47	12.57	19.58
Water consumption				
Total water consumption	m ³	514,723	312,810	127,163
Water consumption intensity	m ³ /tonne	1.91	2.19	16.58
Waste management				
Wastewater discharge that meets local emission standards	%	100	100	100
Total wastewater discharged	m ³	478,236	224,391	38,707
Wastewater discharge intensity	m ³ /tonne	1.78	1.57	5.05

Employee well-being

Performance indicators	Units	FY2022	FY2023	FY2024
Employment				
Total number of employees	Number	578	542	523
Total number of local employees	Number	578	542	523
Employee new hiring rate	%	5.7	2.8	3.8
Employee turnover	%	0.8	9.4	7.5
Employees are subject to regular performance appraisal	%	100	100	100
Employee by gender				
Female in management	%	29	26	17
Male employee	%	56	56	57
Female employee	%	44	44	43
Employee by age group				
Above 50	%	9	8	10
30-50	%	82	83	84
Below 30	%	9	9	6
New hires by gender				
Male new hires	%	33	40	50
Female new hires	%	67	60	50
New hires by age group				
Above 50	%	3	0	5
30-50	%	73	67	50
Below 30	%	24	33	45
Employee turnover by gender				
Male resignee	%	40	47	46
Female resignee	%	60	53	54
Employee turnover by age group				
Above 50	%	0	18	21
30-50	%	80	72	69
Below 30	%	20	10	10

Performance indicators	Units	FY2022	FY2023	FY2024
Training				
Investment in training	RMB'000	50	96	163
Total training hours	Hours	46,925	44,085	40,508
Average training hours per employee	Hours	81	81	77
Average training hours per male employee	Hours	80	81	80
Average training hours per female employee	Hours	83	81	74

Appendix B: GRI content index

GRI Standards Content Index

The GRI Content Index references the Jiutian Chemical Group Limited Sustainability Report 2024 (“**SR**”), and the Annual Report 2024 (“**AR**”).

Statement of use	Jiutian Chemical Group Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisation details	<ul style="list-style-type: none"> AR Corporate Profile, pages 2-6
	2-2 Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> SR Scope of sustainability report, page 3
	2-3 Reporting period, frequency, and contact point	<ul style="list-style-type: none"> SR Scope of sustainability report, page 3 SR Sustainability contact, page 3
	2-4 Restatements of information	<ul style="list-style-type: none"> SR Restatements, page 3
	2-5 External assurance	<ul style="list-style-type: none"> No External Assurance
	2-6 Activities, value chain, and other business relationships	<ul style="list-style-type: none"> AR Corporate Profile, pages 2-6
	2-7 Employee	<ul style="list-style-type: none"> SR Employee Well-being, pages 25-26 SR Appendix A: Sustainability scorecard, page 29
	2-8 Workers who are not an employee	<ul style="list-style-type: none"> Not applicable
	2-9 Governance structure and composition	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> SR Sustainability organisational structure, page 4
	2-15 Conflicts of interest	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> SR Consulting our stakeholders, page 6
	2-17 The collective knowledge of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> AR Corporate Governance, pages 19-48
	2-19 Remuneration policies	<ul style="list-style-type: none"> AR Corporate Governance, pages 49-52
	2-20 The process to determine the remuneration	<ul style="list-style-type: none"> AR Corporate Governance, pages 49-52

GRI Standard	Disclosure	Location
	2-21 Annual total compensation ratio	<ul style="list-style-type: none"> AR Corporate Governance, pages 49-52
	2-22 Statement on Sustainable Development Strategy	<ul style="list-style-type: none"> SR Sustainability strategy, page 5
	2-23 Policy commitments	<ul style="list-style-type: none"> SR How we measure our performance, page 8
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> SR Sustainability strategy, page 5
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> SR Sustainability strategy, page 5
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> AR Corporate Governance, page 58 SR Consulting our stakeholders, page 5
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> SR Environmental protection, page 16
	2-28 Membership associations	<ul style="list-style-type: none"> Not Applicable
	2-29 Approach to Stakeholder Engagement	<ul style="list-style-type: none"> SR Consulting our stakeholders, page 6
	2-30 Collective bargaining agreements	<ul style="list-style-type: none"> Not Applicable
GRI 3: Material Topics 2021	3-1 The process of determining material topics	<ul style="list-style-type: none"> SR Sustainability materiality, page 7
	3-2 List of material topics	<ul style="list-style-type: none"> SR Sustainability materiality, page 7
	3-3 Management of material topics	<ul style="list-style-type: none"> SR Sustainability materiality, page 7 SR Quality management, pages 10-11 SR Production safety, pages 13-15 SR Environmental protection, pages 16-22 SR Employee well-being, pages 24-26
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<ul style="list-style-type: none"> AR Financial Highlights, page 11
GRI 204: Procurement Practices 2016	204-1 The proportion of spending on local suppliers	<ul style="list-style-type: none"> SR Quality management, page 10
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> There are no incidences of corruption.
GRI 206: Anti-competitive Behavior 2016	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 302: Energy 2016	302-1 Energy consumption within the organisation	<ul style="list-style-type: none"> SR Environmental protection, Energy efficiency, page 20
GRI 303: Water and Effluents 2018	303-1 Water withdrawal by source	<ul style="list-style-type: none"> SR Environmental protection, Saving water, pages 21-22
	303-3 Water recycled and reused	<ul style="list-style-type: none"> SR Environmental protection, Saving water, pages 21-22
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> SR Environmental protection, TCFD Recommended Disclosures, page 19
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> SR Environmental protection, TCFD Recommended Disclosures, page 19
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> SR Environmental protection, TCFD Recommended Disclosures, page 19
	305-4 GHG emissions intensity	<ul style="list-style-type: none"> SR Environmental protection, TCFD Recommended Disclosures, page 19 SR Appendix A Sustainability scorecard, page 28

GRI Standard	Disclosure	Location
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	<ul style="list-style-type: none"> SR Environmental protection, Saving water, page 21
	306-2 Waste by type and disposal method	<ul style="list-style-type: none"> SR Environmental protection, Waste and wastewater management, page 22
	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"> SR Environmental protection, Waste and wastewater management, page 22
GRI 307: Environmental Compliance 2026	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 401: Employment 2016	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> SR Employee well-being, Equal opportunity, pages 25-26 SR Appendix A Sustainability scorecard, page 29
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> SR Employee well-being, pages 24-26
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> SR Production safety, pages 13-15 SR Appendix A Sustainability scorecard, page 29
	403-5 Worker training in occupational health and safety	<ul style="list-style-type: none"> SR Production safety, pages 13-15 SR Appendix A Sustainability scorecard, page 28
	403-9 Work-related injuries	<ul style="list-style-type: none"> SR Production safety, pages 13-15 SR Appendix A Sustainability scorecard, page 28
	403-10 Work-related ill health	<ul style="list-style-type: none"> SR Production safety, pages 13-15 SR Appendix A Sustainability scorecard, page 28
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> SR Employee well-being, Skills competency and employee training, page 24 SR Appendix A Sustainability scorecard, page 30
	404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> SR Production safety, pages 13-15 SR Employee well-being, Skills competency and employee training, page 24
	404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> SR Employee well-being, Performance appraisal, page 25
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> SR Employee well-being, Equal opportunity, pages 25-26 SR Appendix A Sustainability scorecard, pages 28-29
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> There are no incidents of discrimination.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	<ul style="list-style-type: none"> Child labour is strictly prohibited.
GRI 409: Forced or Compulsory Labor 2016	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.

GRI Standard	Disclosure	Location
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none">• SR Production safety, pages 13-15• SR Employee well-being, Equal opportunity, pages 25-26
GRI 419: Socioeconomic Compliance 2016	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 UK Defra.

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 /tonne**").

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/tonne**"), steam consumption intensity expressed in CT per tonne of production ("**CT/tonne**"), and total energy intensity expressed in GJ per tonne of production ("**GJ/tonne**").

Water consumption

This represents the total volume of water consumed, including freshwater and industrial waters such as desalinated and deoxygenated water. 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/tonne**").

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	(a) Describe the board's oversight of climate-related risks and opportunities	SR Environmental Protection, page 17
	(b) Describe management's role in assessing and managing climate-related risks and opportunities	SR Environmental Protection, page 17
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	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	SR Environmental Protection, pages 17-19
	(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	SR Environmental Protection, pages 17-19
	(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 currently does not employ scenarios analysis in identifying climate risks and opportunities. However, there are plans to integrate scenarios analysis into our assessment of climate risks and opportunities in the future.
3. Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	(a) Describe the organisation's processes for identifying and assessing climate-related risks	SR Environmental Protection, page 19
	(b) Describe the organisation's processes for managing climate-related risks	SR Environmental Protection, page 19
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	SR Environmental Protection, page 19
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.	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR Environmental Protection, page 19
	(b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	SR Environmental Protection, page 19
	(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	SR Environmental Protection, page 20