



山西美锦能源股份有限公司
Shanxi Meijin Energy Co., Ltd.

2025

SHANXI MEIJIN ENERGY CO., LTD.

SUSTAINABILITY REPORT



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About This Report

Report Description

This is the fifth sustainability / Environmental, Social and Governance (ESG) report (the “Report”) issued by Shanxi Meijin Energy Co., Ltd. (“Meijin Energy” the “Company” or “we”). The Report aims to present a comprehensive account of the Company ’ s management initiatives in environmental, social and corporate governance in 2025, as well as its practices in fulfilling responsibilities to key stakeholders, including shareholders, customers, partners, employees and communities. It objectively discloses the Company ’ s sustainability management practices and performance.

Reporting Scope

The Report covers information and data of the Company from January 1 to December 31, 2025 (the “reporting period”). Certain information and data may trace back to 2025 and earlier years or extend to 2026. The Report covers the Company and its 103 subsidiaries, including coal, coke, chemicals, hydrogen, technology and other businesses. For details of the Company’s businesses, please refer to the Company’s 2025 Annual Report.

Basis of Preparation

The Report has been prepared with reference to *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)* (the “Guidelines”) and *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange-Preparation of Sustainability Report* (the “Guidance”) issued by the Shenzhen Stock Exchange (“SZSE”); the GRI Sustainability Reporting Standards (the “GRI Standards”) issued by the Global Sustainability Standards Board (“GSSB”); and the relevant requirements of *SDG Compass: The Guide for Business Action on the SDGs*. It also draws on the key material topics in the Corporate Sustainability Assessment (“CSA”) ESG ratings by S&P Global, a leading global index provider.

Reporting Principles

Materiality: The materiality of the Company's sustainability matters is confirmed by the Board of Directors. The stakeholder engagement process, material topic identification process and materiality matrix are disclosed in this Report. For details of the materiality analysis process and results, please refer to Section 1.4, "Sustainability Management Mechanism" .

Quantitative: The statistical standards, methodologies, assumptions, calculation tools and technical terms used for quantitative key performance indicators in this Report have been explained. For quantitative information, please refer to the "Sustainability Performance Tables" in this Report.

Balance: The Report presents the Company's performance during the reporting period in an objective and fair manner, avoiding inappropriate influence on readers' decisions or judgments due to selective disclosure, omission of information or improper presentation.

Consistency: Unless otherwise stated, the statistical methods and calculation boundaries used for the data disclosed in this Report remain consistent with previous years.

Sources of Information and Reliability Assurance

The information and data disclosed in this Report mainly come from the Company's internal statistical reports or documents and have been reviewed by relevant departments. Unless otherwise stated, the data disclosed in this Report are consistent with those in the annual report. The Company undertakes that this Report contains no false records or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents. Unless otherwise stated, all monetary amounts in this Report are denominated in Renminbi.

Report Preparation Process

The contents of this Report were determined through a systematic process, including formation of the working group, identification of key stakeholders, stakeholder interviews, identification and prioritization of sustainability-related material topics, definition of reporting boundaries, collection of relevant materials and data, framework development, report writing, report design, and departmental and senior management review.

Report Confirmation and Approval

The Report was reviewed and confirmed by the Sustainability Committee and approved by the Board of Directors on April 23, 2026.

Report Access and Feedback

To view or download this Report online, please visit the Company's official website (www.mjenergy.cn) or the SZSE website (www.szse.cn) for the electronic version. We attach great importance to stakeholders' suggestions and opinions and welcome and encourage readers to contact us through the following channels. Your suggestions and opinions will help us further improve this Report and enhance our sustainability performance.

- Contact number: 0351-4236095
- E-mail: mjenergy@mjenergy.cn



Message from Management

2025 marked the final year of China's 14th Five-Year Plan and a critical year for the energy industry's green and low-carbon transition to advance in depth. Against the backdrop of deepening global climate governance and the accelerated development of a new energy system, the energy industry has entered a new stage in which traditional industries are upgrading in quality, while green chemicals and high-end new materials are developing at a faster pace. Keeping pace with the times, Meijin Energy has strengthened its foundation through prudent operations and seized opportunities through innovation and transformation. The Company has moved forward steadily by enhancing the quality and efficiency of traditional industries and making innovative breakthroughs in future-oriented industries, writing a pragmatic chapter of corporate sustainability through responsibility and concrete action.

Deepening our core businesses to stabilize operations, and strengthening the coal-coke chain to reinforce our foundation. During the year, we aligned ourselves with the broader national priority of energy security and consistently regarded the coal-coke industry as the foundation of our development. Focusing on stable production, quality improvement and refined operations, we continued to optimize resource utilization efficiency through compliance control, lean management and technological iteration. We also continued to improve the "coal-coke-gas-chemicals-hydrogen" circular ecosystem, enabling traditional industries to maintain their core competitiveness amid transformation. The Company has initially formed a multi-regional coordinated development pattern for its coal-coke business, with operations remaining stable and improving. This has not only ensured the stability and smooth operation of the industrial and supply chains and strengthened the operating foundation needed to navigate the industry adjustment cycle, but has also provided solid support for the Company's strategic transformation.

Advancing green development to improve quality and efficiency, while upholding ecological priorities as our bottom line. During the year, we remained committed to green development and served the national transformation agenda. We promoted environmental compliance and the circular economy in a coordinated manner, advancing efficient resource use and ecological conservation together. In 2025, we continued to steadily advance projects such as waste heat recovery and residual energy recovery, actively practiced green mine reclamation models, and promoted the coordinated progress and virtuous cycle of ecological conservation and resource development in mining areas. The Company continued to deepen zero liquid discharge (ZLD) of coking wastewater and ultra-low-emission retrofits for waste gas. Our subsidiary Huasheng Chemical was honored by the Ministry of Water Resources as an "Advanced Collective of the China Water Conservation Award" for its innovative water-saving system.

Pioneering hydrogen development to unlock new growth opportunities. During the year, we actively responded to the global consensus on low-carbon development and maintained strategic focus in consolidating the foundation of our hydrogen business. We focused on breakthroughs in key links of the hydrogen industry, continued to improve R&D of core hydrogen materials and infrastructure deployment, and advanced the construction of high-purity hydrogen projects in Shanxi, Guizhou and other regions in an orderly manner. We also deepened demonstration operations across the full hydrogen value chain and promoted the implementation of hydrogen logistics, hydrogen transportation and other application scenarios. Starting from practical realities and adapting measures to local conditions, we explored a pragmatic pathway for clean energy development through our industrial layout, building core momentum for corporate transformation.

Connecting upstream and downstream partners to build synergy, and seeking shared prosperity through an ecosystem of mutual benefit. During the year, we were committed to building a value-chain ecosystem for shared success, bringing together collaborative strengths to unlock industrial development potential. Supply chain resilience is an important guarantee for stable corporate development. We upheld the concept of a responsible supply chain, integrated responsible management into supplier onboarding and dynamic management systems, improved standardized management of centralized procurement and bidding, and strengthened the responsible supply chain bottom line. We strengthened the protection of key resources and the development of a diversified supplier system to enhance supply resilience. We pursued excellent quality, adhered to full-process control, and strictly controlled product quality with high standards, reinforcing customer trust and the foundation for industrial development. Upholding the customer-centric philosophy, we built a full-cycle service system and strengthened demand response and closed-loop feedback management, continuously improving our ability to create customer value and promoting an industrial cooperation pattern of mutual benefit and shared success.

Putting safety first to strengthen governance, and energizing the enterprise through talent. Safety is the prerequisite for development. We have always placed work safety at the top of our agenda. Through digital and intelligent technologies, we have promoted the upgrade of safety management from “human-based prevention” to “technical and intelligent prevention,” while continuously improving the occupational health and safety governance system. In response to weaknesses in safety management, we have engaged in deep reflection and comprehensive rectification, strengthening our safety defenses with stricter standards and more detailed controls to firmly protect employees’ lives and safety. Talent is the core driver of corporate development. Upholding the philosophy of “building the foundation through talent”, we optimized the performance system, established dual career paths for management and professional

development, improved the compensation system and employee care mechanisms, and focused on employee benefits, logistical support and cultural development. These efforts continue to stimulate employees' intrinsic drive for growth, enabling employees and the Company to progress together and develop in coordination.

Rooted in local communities and acting for the good to uphold our original mission.

Corporate development is inseparable from social support. We have consistently adhered to coordination between enterprises and local communities, as well as co-building and sharing. In 2025, we maintained local employment and supported regional employment and economic development. We actively participated in the "10,000 Enterprises Revitalizing 10,000 Villages" initiative, supporting livelihood improvement and rural revitalization through diversified assistance measures covering industry, ecology and culture. We practiced public welfare, charity and volunteer services, engaging in initiatives such as the Golden Autumn Student Aid Program, forest fire prevention and charitable donations, so that the benefits of development could reach communities and enable enterprises and local communities to integrate and coexist in synergy.

Forging ahead with determination toward a new journey, and pursuing a steady and far-reaching future. 2026 will mark the opening year of China's 15th Five-Year Plan, and the pace of structural optimization, transformation and upgrading in the energy industry will continue to accelerate. With the industrial scale, complete industry chain system and abundant talent resources we have accumulated over many years, we are full of confidence in our future development. We believe that by staying grounded and focusing on enhancing core competitiveness, the Company will continue to advance steadily and create more solid long-term value for all stakeholders. In the new year, we will uphold a spirit of practical action, continue to innovate with the courage to take the lead, deepen our core businesses with unrelenting resolve, set out with the courage to ride the waves, and climb higher with unwavering determination.

姚锦龙

Chairman of Shanxi Meijin Energy Co., Ltd.



 Sustainability Highlights**National-Level Awards and Honors**

Meijin Energy received:

- **National Advanced Collective in the Industry and Information Technology System** (Ministry of Human Resources and Social Security; Ministry of Industry and Information Technology).
- **2025 Outstanding Corporate ESG Case** (Ministry of Ecology and Environment).

Subsidiary Huasheng Chemical received:

- **2025 Advanced Collective of the China Water Conservation Award** (Ministry of Water Resources)

Subsidiary Guizhou Huayu was selected for:

- **Hydrogen Pilot in the Energy Sector** (National Energy Administration)

Upholding Sound Governance, Pursuing Long-Term Progress

- Investor communication channels were kept smooth. A total of **163** online investor inquiries were responded to throughout the year, with over **1,500** investor hotline calls handled, continuously safeguarding minority shareholders' right to information.
- Anti-corruption training totaled more than **500 hours**. **Zero** corruption incidents occurred during the year. Whistleblowing channels were publicly disclosed on both the official website and bidding pages. Supplier coverage for signing integrity commitments in bidding reached **100%**, further strengthening source governance and process supervision.
- Launched a **double materiality assessment** and identified four topics with high double impacts, providing decision-making support for ESG governance.
- Carried out special compliance risk identification and completed the *Special Research Report on Legal Risks in Labor Employment*, further strengthening the employment compliance management system.

Championing Green Transition, Forging a Sustainable Future

- During the reporting period, environmental protection investment exceeded **RMB 300 million**, supporting the orderly advancement of key tasks such as energy conservation, emissions reduction, pollution prevention and ecological conservation.
- Continued to advance waste heat recovery and utilization practices, recovering more than **2.5 million GJ** of heat throughout the year.
- The coal segment deepened comprehensive utilization of coal mine gas, generating approximately **62.85 million kWh** of electricity throughout the year, equivalent to reducing carbon dioxide emissions by **33,000 tonnes**.
- Upheld the philosophy of water conservation first and circular utilization. The wastewater reuse rate reached **75.85%**. Among this, the wastewater reuse rate in the coal segment reached **100%**, continuously improving the effectiveness of water resource management.
- The coal segment actively advanced the **resource utilization of coal gangue**. During the reporting period, the coal gangue recycling and reuse rate reached **100%**, achieving synergy between solid waste disposal and resource recovery.

Collaborating with Stakeholders, Driving Innovation-Led Growth

- During the reporting period, R&D investment reached **RMB 59.89 million**, with **21** new patents added, including **3 new invention patents**.
- Tangsteel Meijin, a subsidiary in the coke segment, received the **Hebei Provincial Science and Technology Progress Award** for its “Key Technology and Application of Micro-electric Field-enhanced Nanocomposite Materials for Advanced Purification of Heavy Metal Wastewater.”
- Continued to implement quality management. Both the coal-coke and hydrogen businesses recorded **zero** major product safety and quality liability incidents during the year.
- As of the end of the reporting period, the Company had more than **3,000** suppliers, with the share of localized procurement in core regions continuing to increase, supporting regional economic coordination and supply chain resilience.
- The information security and customer privacy protection systems operated effectively, with **zero** major information security or customer privacy leakage incidents during the year.

Prioritizing People-Centric Development, Nurturing Shared Growth

- Firmly fulfilled our primary responsibility for work safety. During the year, we conducted **2,204** health and safety training sessions, with total training exceeding **160,000** hours, and the number of work-related injury incidents decreased by **46.4%** year-on-year.
- Strengthened risk prevention and emergency response capabilities. Based on production process characteristics and major hazard source assessments, we organized more than **50** special emergency drills throughout the year, effectively improving practical response capabilities.
- Placed strong emphasis on talent pipeline development. During the year, we organized **3,537** training activities, with total training investment of approximately **RMB 3.58 million**, steadily enhancing employees' professional competence and overall capabilities.
- Actively practiced corporate social responsibility. During the reporting period, public welfare and charitable investment totaled **RMB 7.57 million**, focusing on rural revitalization and support for vulnerable groups.



About Meijin Energy

Company Profile

Shanxi Meijin Energy Co., Ltd. (stock code: 000723.SZ; stock short name: Meijin Energy) is a leading enterprise in the energy industry that has grown alongside China's reform and opening-up. Since its establishment, the Company has consistently pursued independent exploration and innovation while upholding fundamental principles, accurately grasped the pulse of the times, and actively adjusted its transformation strategy.

As a leading independent merchant coke producer in China, Meijin Energy actively responds to the national energy development strategy and has established a development approach of "safeguarding the foundation with coal and coke, and expanding new growth with hydrogen". Since 2017, the Company has taken a forward-looking approach to developing the hydrogen industry. Leveraging the resource advantage of by-product hydrogen from its core coking business, it has built a core competitiveness system based on "low-cost hydrogen sources + scenario-based deep cultivation + regional coordination + technological barriers", achieving a leapfrog transformation from a traditional coking giant to a global carbon-hydrogen integrated energy supplier.

Looking ahead, Meijin Energy will continue to adhere to its dual-wheel drive strategy. On the one hand, it will use the traditional energy industry as its cornerstone, consolidating its development foundation through technological upgrading and low-carbon transformation, and strengthening its leading position among China's independent merchant coke producers. On the other hand, it will use the hydrogen industry as a new engine, relying on the full industry chain synergy of "coal-coke-gas-chemicals-hydrogen" to cultivate new quality productive forces and create a green growth pole. We are committed to becoming an important participant and standard-setter in the global hydrogen industry. While ensuring the secure supply of national energy, we will accelerate the implementation of commercial hydrogen application scenarios and build a clean, low-carbon, safe and efficient modern energy system.





Business Overview

Meijin Energy has structured its business around five major segments: coal, coke, chemicals, hydrogen and technology. At present, the Company has a total of 103 subsidiaries across these five segments. During the reporting period, based on the business and operating scale of each subsidiary, we selected Meijin Energy and 41 core subsidiaries within the scope of consolidation for presentation. These include 4 in the coal segment, 6 in the coke segment, 2 in the chemicals segment, 17 in the hydrogen segment, 1 in the technology segment and 11 in other businesses. Details are as follows:

Business Segment	Company's Full Name	Company's Abbreviation
Headquarters	Shanxi Meijin Energy Co., Ltd.	Meijin Energy
Coal	Shanxi Fenxi Taiyue Coal Industry Co., Ltd.	Fenxi Taiyue Coal Industry
	Shanxi Meijin Group Dongyu Coal Industry Co., Ltd.	Dongyu Coal Industry
	Shanxi Meijin Group Jinfu Coal Industry Co., Ltd.	Jinfu Coal Industry
	Shanxi Meijin Group Jinhui Coal Industry Co., Ltd.	Jinhui Coal Industry
Coke	Guizhou Meijin Huayu New Energy Co., Ltd.	Guizhou Huayu
	Shanxi Meijin Huasheng New Chemical Materials Co., Ltd.	Huasheng Chemical
	Shanxi Meijin Coal Chemical Co., Ltd.	Meijin Coal Chemical
	Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.	Tangsteel Meijin
	Guizhou Lantian Dingmei Water Supplies Co., Ltd.	Lantian Dingmei
	Shanxi Shangde Water Supplies Co., Ltd.	Shangde Water Supplies
Chemicals	Shanxi Runjin Chemical Co., Ltd.	Runjin Chemical
	Shanxi Meijin Coal Chemical Hydrogen Production Co., Ltd.	Coal Chemical Hydrogen Production
Hydrogen	Qingdao Meijin Hydrogen Technology Co., Ltd.	Qingdao Hydrogen Energy Technology
	Shanxi Meijin New Energy Vehicle Manufacturing Co., Ltd.	Meijin New Energy Manufacturing
	Shanxi Meijin Hydrogen Energy Technology Co., Ltd.	Hydrogen Energy Technology
	Qingdao Meijin New Energy Automobile Manufacturing Co., Ltd.	Qingdao Meijin

	Meijin (Beijing) Hydrogen Energy Technology Co., Ltd.	Meijin Hydrogen Energy Technology
	Xiaoshizi (Beijing) Automotive Supply Chain Management Co., Ltd.	Xiaoshizi Automotive Supply Chain
	Xiaoshizi (Tangshan) Automotive Supply Chain Management Co., Ltd.	Xiaoshizi (Tangshan)
	Xiaoshizi (Qingdao) Automotive Supply Chain Management Co., Ltd.	Xiaoshizi (Qingdao)
	Renqiu Meijin Hydrogen Energy Technology Development Co., Ltd.	Renqiu Meijin
	Shanxi Meijin Materials Supply Co., Ltd.	Materials Supply
	Meijin Meihe (Foshan) New Energy Co., Ltd.	Meijin Meihe (Foshan)
	Qingdao Meijin Investment Development Co., Ltd.	Qingdao Investment
	Shanxi Meijin New Energy Passenger Transport Co., Ltd.	New Energy Passenger Transport
	Meijin Jiachuang (Beijing) Capital Management Co., Ltd.	Beijing Meijin Jiachuang
	Meijin Carbon Asset Operation Co., Ltd.	Meijin Carbon Asset
	Beijing Meijin Jiachuang Private Equity Fund Management Co., Ltd.	Beijing Private Equity
	Shanxi Tuodui Technology Co., Ltd.	Tuodui Technology
Technology	Shanxi Zhongke Meijin Carbon Materials Co., Ltd.	Zhongke Meijin
Others	Shanxi Demonstration Zone Meijin Hydrogen Source Technology Development Co., Ltd.	Hydrogen Source Technology
	Jiaocheng Wanghui Energy Co., Ltd.	Jiaocheng Wanghui
	Liaocheng Meijin New Energy Co., Ltd.	Liaocheng Meijin
	Bayannur Ruipuxin Trading Co., Ltd.	Ruipuxin Trading
	Inner Mongolia Puxin Energy Co., Ltd.	Inner Mongolia Puxin Energy
	Ulanqab Huayi Natural Gas Co., Ltd.	Huayi Natural Gas
	Ejina Banner Puxin Energy Co., Ltd.	Ejina Banner Puxin
	Luohe Meijin New Energy Co., Ltd.	Luohe Meijin
	Nanyang Meijin New Energy Co., Ltd.	Yigao Clean
	Hohhot Hangyu New Energy Co., Ltd.	Hangyu New Energy
	Lvliang Huitong Energy Co., Ltd.	Huitong Energy

The principal businesses of each segment are as follows:

Coal Segment	The Company has abundant coal resources. Its operating coal mines have cumulative proven resource reserves of nearly 700 million tonnes, mainly high-quality coking coal or coking coal blends, with approved production capacity of 6.3 million tonnes/year.
Coke Segment	- The Company is one of China's larger independent merchant coke producers, mainly producing high-quality top-charged Grade I metallurgical coke, with coke production capacity of 10.95 million tonnes/year. - The Company uses internationally advanced 2×70-hole JNX3-7.65 top-charged coke ovens, with a carbonization chamber height of 7.65 meters, as its main furnace type. Its existing coke oven capacity, furnace type, process equipment and product quality are all at industry-leading levels. - Supporting environmental protection facilities include coke dry quenching, VOCs collection, flue gas desulfurization and denitrification. All wastewater is reused, and carbon dioxide and nitrogen oxide emissions are below ultra-low emission standards.
Chemicals Segment	The Company fully recovers coking by-products such as coke oven gas, coal tar and crude benzene to produce high value-added chemical products, including liquid ammonia, ethylene glycol and LNG, extending deeply into both upstream and downstream segments of the industry chain.
Hydrogen Segment	- The Company has built a closed-loop full industry chain covering production, storage, transportation, refueling and utilization. After all completed and under-construction hydrogen production plants are put into operation, high-purity hydrogen production capacity will reach 23,600 tonnes/year. - To date, 23 hydrogen refueling stations have been completed and put into operation nationwide, with total hydrogen refueling capacity of 13,060 kg/12 hours. - Through its subsidiaries Qingdao Meijin and Feichi Technology, the Company carries out complete vehicle manufacturing, with annual production capacity of 10,000 hydrogen fuel-cell commercial vehicles, 5,000 units each. Products cover large and medium-sized buses, light, heavy and medium-duty trucks, special-purpose vehicles and specialized vehicles.
Technology Segment	The starch-based capacitor carbon industrialization project, Phase I with annual capacity of 500 tonnes/year, has been completed and put into continuous batch production, further advancing the localization and import substitution process for capacitor carbon.

Deepening Carbon-Hydrogen Synergy and Building a Zero-Carbon Industrial Ecosystem

With the vision of “Low-Carbon World Expands the Future of Hydrogen”, Meijin Energy closely follows China’s dual-carbon strategy. Relying on the full-chain circular economy system of “coal-coke-gas-chemicals-hydrogen,” the Company deeply integrates traditional energy and new energy, while coordinating nationwide industrial deployment, the development of zero-carbon logistics networks and cross-regional collaborative construction. Based on its industrial foundation, the Company has formed a cross-regional demonstration system across China. Through technological innovation and refined management, it has effectively improved resource utilization efficiency and environmental performance. Among these efforts, Guizhou Huayu’s “coal-coke-hydrogen” comprehensive utilization demonstration project has built an integrated industry chain covering “hydrogen production-LNG-hydrogen terminal applications.” It has achieved the transformation of coal resources from “single-value utilization” to “full-value development,” serving as a model for cross-regional replication of the “carbon-hydrogen synergy” strategy. Through a development pathway of “technology implementation + scenario expansion + ecosystem co-building,” the Company has accelerated its green transition and established a replicable and scalable new paradigm for zero-carbon transformation in the energy industry.



Zero-Carbon Logistics Connecting the Country, with Significant Scenario-based Application Results

Using hydrogen-powered heavy-duty trucks as the core carrier and linking these with hydrogen refueling infrastructure, the Company has built zero-carbon logistics corridors and trunk-line networks covering multiple regions and scenarios. In Southwest China, it launched the first scaled hydrogen-powered heavy-duty truck demonstration project: the “Zero-Carbon Logistics Corridor” in Liuzhi Special District, Guizhou. The project uses 100 customized hydrogen-powered heavy-duty trucks to precisely cover three core routes for electric coal transportation, replacing 2,268 tonnes of diesel and reducing carbon dioxide emissions by 12,000 tonnes each year. In North China, with the steel industry



cluster in Wu’an, Hebei as the core, the Company launched a hydrogen logistics demonstration project to promote the application of hydrogen-powered heavy-duty trucks in raw material transportation for the steel industry. In East China, the Company completed a 1,944-kilometer inter-provincial long-distance transportation route across Shandong and Jiangsu, and successfully connected the 402-kilometer Shenyang-Dalian Expressway hydrogen corridor from

Dalian Jinpu New Area to Shenyang Dadong District.

■ Implementing Multi-party Co-building Plans and Building a Zero-Carbon Industrial Community

The Company adheres to openness and co-building, creating a zero-carbon industrial ecosystem based on “leadership by core bases + cross-regional collaboration.” The Beijing Daxing headquarters base has established China’s first carbon paper R&D center, providing technical support for an independently controllable hydrogen industry chain. The Qingdao hydrogen base focuses on photovoltaic hydrogen production, construction of mother hydrogen refueling stations, fuel cell technology R&D and other areas, building a full-chain industrial ecosystem covering “technology R&D-equipment manufacturing-scenario application-market promotion.” The Company continues to deepen the leading role of Chain Master enterprises in multiple locations, working with local governments, research institutions and industry chain partners to promote the replication and expansion of the zero-carbon park model in more traditional industrial clusters.



Development Philosophy

The first generation of Meijin Energy started their business in Qingxu, Shanxi in the early 1980s. For more than 40 years, the Company has advanced in step with national and regional economic development, actively responded to the central government’s guidance on high-quality development, remained committed to deepening the circular economy development approach, and continued to promote the transformation and development of traditional industries. We remain closely focused on our corporate mission, take our corporate values as the guide for development, regard corporate culture as the foundation of development, and move forward with integrity, innovation, courage and resolve.

Corporate Vision

Low-Carbon World Expands the Future of Hydrogen

Corporate Mission

An active practitioner of the dual-carbon goals; an outstanding pioneer in the energy revolution; a courageous pathfinder in energy transition; and a front-runner of the times in the hydrogen industry





Awards and Honors

Awarded Entity	Award / Honor	Awarding Organization
Meijin Energy	National Advanced Collective in the Industry and Information Technology System	Ministry of Human Resources and Social Security, Ministry of Industry and Information Technology
	2025 Outstanding Corporate ESG Case	Ministry of Ecology and Environment
	Shanxi Provincial Pilot for Product Carbon Footprint Management System	Department of Ecology and Environment of Shanxi Province
	Top 30 Private Manufacturing Enterprises in Shanxi Province 2025	Shanxi Federation of Industry and Commerce
	Top 100 Private Enterprises in Shanxi Province 2025	Shanxi Federation of Industry and Commerce
	Top 500 Petroleum and Chemical Enterprises by Sales Revenue 2025	China Chemical Enterprise Management Association
	2025 Top 100 Most Popular Listed Companies	RoyalFlush Info
	2025 Golden Kunpeng China Financial Value List - Best Listed Company in New Quality Productive Forces	Hong Kong Commercial Daily; Global Commercial Daily
	2025 Gaogong Golden Globe Award - Best Performance Award for Full-chain Coordination in Production, Storage, Refueling and Utilization in the Hydrogen Industry	Gaogong Industry Institute (GGII)
	2025 Leading Enterprise in Hydrogen Refueling Stations in the Hydrogen Industry	HEC100
	2025 Most Innovative Technology Award in the Hydrogen Industry	HEC100
Huasheng Chemical	2025 Advanced Collective of the China Water Conservation Award	Ministry of Water Resources
	2024 China Top Ten Classic Water Conservation Cases	National Office of Water Conservation
Guizhou Huayu	Hydrogen Pilot in the Energy Sector, First Batch	National Energy Administration
Qingdao Meijin	2025 Leading Benchmark Private Enterprise in Qingdao	Qingdao Municipal Bureau for Private Sector Development



01

UPHOLDING SOUND GOVERNANCE, PURSUING LONG-TERM PROGRESS

Sound corporate governance is an important foundation for corporate sustainability. Meijin Energy continued to improve its corporate governance framework, advocated compliant and ethical business conduct, strengthened enterprise risk management, and continuously improved communication with investors and stakeholders. Looking ahead, we will continue to uphold integrity, compliance and robust governance, and move forward steadily toward high-quality development.

TOPICS WE FOCUS ON

- Anti-commercial bribery and anti-corruption
- Anti-unfair competition
- Due diligence
- Stakeholder engagement

OUR ACTIONS

- Improved the corporate governance structure and optimized governance systems
- Deepen integrity education and compliance development
- Build a comprehensive risk management system and establish and improve the supplier risk factor database
- Incorporate ESG assessment factors into the entire process of due diligence, project decision-making, and post-investment management
- Establish regular and special communication channels with stakeholders



1.1 Improving Corporate Governance

1.1.1 Governance Structure

In accordance with the requirements of national laws, regulations and normative documents, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Code of Corporate Governance for Listed Companies*, Meijin Energy has formulated and implemented governance policies such as the *Articles of Association and the Rules of Procedure for the General Meeting of Shareholders*. The Company has established a corporate governance system composed of the general meeting of shareholders, the Board of Directors and senior management, and has developed an operating mechanism with transparent powers and responsibilities, efficient coordination and effective checks and balances. This ensures the effectiveness, scientific rigor and standardization of corporate governance.

To further improve governance effectiveness and optimize management processes, the Company, in accordance with relevant laws and policy requirements, abolished the Supervisory Board during the reporting period, with the relevant functions assumed by the Audit Committee.



1.1.2 Board Development

As the core hub of the corporate governance system, the Board of Directors has always regarded the protection of shareholders' interests and the Company's stable development as its primary responsibilities. The Company has established an institutional framework centered on the Rules of Procedure for the Board of Directors, which defines the Board's scope of authority and decision-making procedures. It is committed to promoting Board operations that are scientific, rational and efficient. In terms of composition, the Company strictly complies with laws and regulations and has formed a diversified governance structure that combines directors elected by the general meeting of shareholders with employee representative directors elected through democratic procedures. This ensures that decision-making perspectives are comprehensive and objective.

During the reporting period, to further optimize the Board structure and enhance the democratic nature and representativeness of Board decision-making, the Company elected employee representative directors in strict accordance with the *Company Law*, the *Articles of Association* and other relevant provisions. This strengthened the internal supervision and communication mechanism and effectively improved the diversity of corporate governance.

Supported by a standardized and efficient operating mechanism, the Board performed its duties diligently and fully exercised its core functions of setting strategy, making decisions and preventing risks, providing solid support for the Company's high-quality development. During the reporting period, the Company held 19 Board meetings, reviewed and approved 60 proposals, and recorded a director attendance rate of 100%.

1.1.2.1 Board Committees

The Board has established five committees: the Strategy Committee, Nomination Committee, Audit Committee, Remuneration and Performance Evaluation Committee, and Sustainability Committee. Each committee conducts research on the Company's affairs and provides professional advice for Board decision-making. All committee members are directors.

Committee	Responsibilities	Meetings Held
Strategy Committee	Track and study changes in national industrial policies and trends in domestic and international markets, and formulate the Company's medium- and long-term development plans and strategies.	Held 1 meeting and reviewed and approved 1 proposal.
Nomination Committee	Provide recommendations to the Board on the size and composition of the Board; nominate or	Held 2 meetings and reviewed and approved 2

	remove directors; appoint or dismiss senior management.	proposals.
Audit Committee	Review the Company's financial information and its disclosure; supervise and evaluate internal and external audits, supervise and evaluate the Company's internal control system.	Held 9 meetings and reviewed and approved 11 proposals.
Remuneration and Performance Evaluation Committee	Formulate the remuneration system for directors and senior management; review remuneration plans; formulate or revise equity incentive plans and employee stock ownership plans.	Held 2 meetings and reviewed and approved 2 proposals.
Sustainability Committee	Establish the sustainability strategy framework, formulate sustainability targets, and regularly review the Company's sustainability strategies, targets and measures.	Held 1 meeting and reviewed and approved 1 proposal.

1.1.2.2 Board Independence

The Company has formulated the *Independent Director Policy*, which sets out detailed provisions on the qualifications, election and duties of independent directors. Independent directors are nominated by the Company's Board of Directors or by shareholders individually or collectively holding more than 1% of the Company's issued shares, and are elected by the general meeting of shareholders. Independent directors must account for no less than one-third of the total number of Board members, including at least one accounting professional. They must have more than five years of working experience in law, accounting or economics to ensure effective participation in strategic planning and decision-making deliberations. In principle, independent directors may serve concurrently as independent directors at no more than three domestic listed companies, ensuring that they have sufficient time and energy to perform their duties effectively. As of the end of the reporting period, the Company had 3 independent directors, representing 33% of the Board.

1.1.2.3 Board Diversity

The Company is committed to building a diverse Board. In the nomination and appointment of directors, the Company considers a range of diversity factors, including but not limited to gender, tenure, ethnicity, language, cultural background, educational background, industry experience and professional competence. Current Board members have extensive industry experience across multiple fields, including coal, chemicals, energy, accounting, finance and management. As of the end of the reporting period, the Company had 2 female directors, accounting for 22% of the Board.

Professional Background of Directors	
Accounting and Finance	5 persons
Industry-related Expertise in Coal, Chemicals or Energy	3 persons
Management	1 person
Gender Composition of Directors	
Male	7 persons
Female	2 persons
Age Composition of Directors	
50 and Below	33%
51-60	33%
61 and Above	33%
Tenure of Directors	
Less than 5 Years	44%
5-10 Years	56%

1.1.3 Executive Compensation

Meijin Energy has formulated the *Remuneration Management Policy for Directors and Senior Management* in strict accordance with the *Code of Corporate Governance for Listed Companies* and other relevant requirements. The policy sets out clear requirements for the structure and management of executive compensation. Executive compensation plans are formulated by the Remuneration and Performance Evaluation Committee and reviewed and approved by the Board of Directors, and implemented after approval by the General Meeting of Shareholders. The Company's executive compensation consists of fixed remuneration and performance-based remuneration. Performance-based remuneration is determined and paid based on the comprehensive assessment results of the Company's operating performance. In addition, the Company has established a Compensation Clawback and Malus Policy. Where an executive seriously violates the Company's rules and policies, seriously damages the Company's interests, or causes significant losses to the Company, the Company may reduce, withhold or claw back remuneration and bonuses. This mechanism helps ensure that executives comply with laws, regulations and the *Articles of Association*, and perform their duties faithfully and diligently.

■ 1.1.4 Information Disclosure and Investor Communication

The Company strictly complies with the requirements of the *Measures for the Administration of Information Disclosure of Listed Companies* and has formulated the *Information Disclosure Management Policy*, which defines the principles, responsibility allocation and management processes for information disclosure. The Company conducts information disclosure in accordance with laws and regulations, while improving both the content and methods of disclosure to enhance disclosure effectiveness.

The Company attaches great importance to investor communication and the protection of investor rights and interests, it has formulated the *Investor Relations Management Policy* and established a regular, diversified investor communication mechanism. Through performance briefings, investor briefings, investor research visits, SZSE EasyIR and other channels, the Company communicates operating conditions and development plans in a timely manner. During the reporting period, the Company responded to 163 investor inquiries through the SZSE EasyIR investor communication platform; held 3 investor briefings to conduct in-depth exchanges with investors on topics of strong interest, including the coal-coke business and the development of hydrogen business; and responded promptly and carefully to investor phone inquiries, handling more than 1,500 investor calls during the reporting period.





1.2 Operating with Integrity and Compliance

1.2.1 Compliance Management

Meijin Energy continues to deepen the development of its compliance management system. In strict compliance with relevant laws, regulations and regulatory requirements, and based on the Company's actual operations, the Company has formulated and continued to improve policies such as the *Compliance Management Measures*, and has rigorously implemented the concept of compliant operations.

The Company has established a top-down compliance management structure with clearly defined powers and responsibilities. The Board of Directors coordinates compliance management, promotes improvements to the compliance management system, and studies and decides on major compliance management matters. The Audit Committee supervises the compliance of key decisions, decision-making processes and major matters. Management is responsible for approving compliance management policies and work plans, and clarifying compliance management processes. The Company has built an internal compliance management Three Lines of Defense composed of departments and subsidiaries, the Risk Control and Compliance Department, and the Audit and Supervision Department. Responsibilities at each level are clearly defined to effectively prevent compliance risks.

Meijin Energy's Three Lines of Defense for Internal Compliance Management	
First Line of Defense: Departments and Subsidiaries	Perform compliance obligations and prevent compliance risks within their respective scopes of responsibility, take charge of daily compliance management within their departments or units, and ensure that personnel in their departments or units perform duties in compliance with requirements.
Second Line of Defense: Risk Control and Compliance Department	Draft compliance management plans, basic systems and policies, organize, coordinate and supervise compliance management; and provide compliance support to the first line of defense.
Third Line of Defense: Audit and Supervision Department	Conduct independent audit evaluations of the compliance of the Company's operations and management, as well as the adequacy, applicability and effectiveness of compliance management; accept reports of violations and investigate non-compliant conduct.

The Company closely monitors the latest laws and regulations and regularly conducts compliance risk identification to control compliance risks across its business activities. During the reporting period, the Company launched a special investigation into legal risks in labor employment. Through on-site interviews, document reviews, questionnaires and other methods, it conducted a penetrating check-up and diagnosis, systematically identifying 15 compliance risks. The Company completed the *Special Research Report on Legal Risks in Labor Employment* and communicated new laws and regulations in the labor employment field to executives and employees, effectively preventing compliance risks arising from changes in laws and regulations. During the reporting period, the Company did not experience any major compliance risk incidents.

In addition, during the reporting period, the Company upgraded its existing compliance management system through digitalization, improving online approval efficiency and clarity in authority management, and laying a solid foundation for digital compliance management.

During the reporting period, the Company conducted 2 compliance training sessions, covering contract legal risk prevention and litigation case reporting. More than 100 employee attendances were recorded, strengthening employees' compliance awareness and reinforcing a compliance culture.



Caption: Compliance management training

1.2.2 Tax Management

The Company strictly complies with national tax laws and regulations and has established and continued to improve tax management policies and operating procedures to ensure that all business activities are lawful and compliant. The Company upholds the principle of tax integrity. It does not arrange finances for the purpose of tax avoidance, transfer profits through structures lacking substantive operations, or adopt tax structures without commercial rationale. In related-party transactions, the Company strictly follows the arm's length principle in pricing to ensure fairness and compliance.

■ 1.2.3 Business Ethics

Meijin Energy strictly complies with laws and regulations such as the *Company Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company continues to improve its business ethics governance structure and related policies, covering all employees of its departments and subsidiaries, as well as customers, suppliers, service providers, contractors, investee companies and other parties with which the Company has business dealings. The Company continuously tracks changes in relevant laws and regulations, systematically evaluates its business activities, and identifies and avoids related risks. The Company has established a sound self-discipline and integrity system, opposes commercial bribery, money laundering, theft of trade secrets and other forms of unfair competition, and actively fosters a fair and just market environment. During the reporting period, the Company did not experience any litigation or administrative penalty incidents arising from unfair competition.

■ 1.2.4 Anti-Corruption and Integrity Promotion

Meijin Energy has systematically built an anti-corruption management structure. The Audit Committee exercises overall supervision over anti-corruption work, while audit and supervision-related departments serve as the standing executive bodies responsible for day-to-day implementation. In accordance with laws and regulations such as the *Criminal Law of the People's Republic of China*, the Company has formulated internal management policies including the *Supervision Management Policy*, the *Anti-Fraud Whistleblowing Policy*, and the *Employee Code of Conduct and Disciplinary Management Measures*. These policies regulate the principles, objectives, prevention, investigation and handling of anti-corruption management. The Company strictly prohibits employees from participating in business entertainment beyond normal commercial scope and forbids the solicitation or illegal acceptance of gifts, bribes or kickbacks. At the same time, the Company continues to improve its internal supervision system, ensuring full anti-corruption supervision coverage across the Company, subsidiaries at all levels, branches and all personnel.

The Company systematically identifies corruption risks in business operations through special inspections and investigations of reported matters. In response to identified risks, the Company follows the integrity and ethical principles of honesty and lawfulness, diligence and integrity in work, clear distinction between right and wrong, and shared honor and responsibility. It continues to strengthen anti-corruption work across all business processes, prevents corruption risks in operations and management, and encourages employees to comply with laws and regulations and perform duties in compliance with requirements. During the reporting period, the Company had no litigation cases related to corruption.

Sales Process

- Formulated and implemented the *Sales Management Policy*, clearly defining corruption risks in key stages such as customer development, contract signing, payment collection and related-party transactions to prevent any violations.
- Required sales personnel to conduct pricing in a fair, compliant and transparent manner, prohibiting the use of mechanisms such as market exclusivity or long-term bundled sales.
- Conducted anti-corruption governance across all regions covered by the sales team and cross-regional teams to identify risks, identify signs of misconduct and ensure that sales operations are always subject to supervision.

- Established anti-corruption monitoring provisions in key procurement contract clauses, clearly prohibiting any form of commercial bribery.
- Required all procurement, contract, project, settlement and supply-related employees to sign integrity commitments.
- Required all suppliers to sign integrity commitments before cooperation, thereby constraining operating conduct and creating a clean procurement environment.

Procurement Process

The Company continuously improves employees' anti-corruption awareness and risk prevention capabilities through regular compliance training. During the reporting period, the Company's Coke Sales Department focused on key business areas and conducted special training for high-risk anti-corruption processes in coke sales, including transaction matters and pricing negotiations, with reference to industry cases. The department also organized training on corporate governance rules, making clear that sales personnel must not use customer information, pricing strategies or other resources for personal gain, and emphasizing the consequences of losses caused by non-compliant operations. This further strengthened the integrity defenses of sales personnel. During the reporting period, the Company conducted 21 anti-corruption training sessions, totaling 529 hours.



[Case] Promoting Integrity among All Employees and Building the Foundation for Ethical Conduct

During the reporting period, Meijin Energy issued an Integrity Initiative to all employees. The initiative aimed to deepen the development of an integrity-based enterprise, strengthen employees' awareness of ethical conduct, and reinforce the understanding that employees "dare not, cannot and do not want to engage in corruption". It called on all employees to become advocates, practitioners and supervisors of integrity, further strengthening the development of an integrity culture, building the foundation for ethical conduct, and providing disciplinary support for high-quality corporate development.



Caption: Promotional poster for the Integrity Initiative

[Case] Holding a Special Study Session on Integrity Education

In April 2025, the Coke Sales Department organized a special study session on integrity education, attended by department leaders and key personnel from all sales offices. At the meeting, the head of the General Office of the Sales Department reiterated to all employees the Company's core integrity culture of "taking pride in integrity and shame in corruption." The session also clarified the basic requirements and codes of conduct for ethical practice, encouraging all employees to uphold the integrity bottom line.



Caption: Site of the special study session on integrity education

1.2.5 Whistleblowing and Whistleblower Protection

Meijin Energy has formulated the *Anti-Fraud Whistleblowing Policy*, which standardizes the

acceptance, verification and handling of whistleblowing matters. The Company has established diversified and accessible reporting channels, including mail, whistleblowing hotline and on-site reception, to broadly receive internal and external opinions and supervision information.

Whistleblowing Handling Process	
Whistleblowing Acceptance	Audit and supervision-related departments are responsible for receiving, recording and confirming whether to accept the report. Where there is a conflict of interest, relevant personnel must recuse themselves.
Whistleblowing Investigation	Based on the severity of the report, the Company decides whether to investigate. If an investigation is conducted, the Audit and Supervision Department is responsible for the investigation and for issuing an investigation report.
Whistleblowing Handling	A handling plan is formulated based on the investigation conclusion. For valid reports, implementation is carried out after approval by management.
Whistleblowing hotline: (0351) 5785963 Whistleblowing email: jubao@mjenergy.cn	

The Company strictly keeps confidential the whistleblower's name, employer, address and other personal information, as well as the contents of the report. It also allows anonymous reports to effectively protect whistleblowers' lawful rights and interests. If a whistleblower is treated unfairly as a result of reporting, the Company will promptly correct the situation. If a whistleblower's personal safety is threatened, the Company will take necessary protective measures in accordance with the law. The Company will hold accountable any retaliation against whistleblowers; where suspected violations of law or crimes are involved, the case will be transferred to judicial authorities in accordance with the law.





1.3 Enterprise Risk Management

1.3.1 Risk Management

Meijin Energy has established a top-down enterprise risk management organizational structure with clearly defined powers and responsibilities. As the core leadership body for risk management, the Board of Directors oversees the Company's strategic and major decision-making risk controls. The Board Strategy Committee supervises the development and operation of the risk management system. Management organizes the formulation and implementation of risk management policies. Departments such as risk control and compliance, audit and supervision lead risk identification, assessment and control, and guide and supervise risk control work across departments and subsidiaries. Departments and subsidiaries carry out daily risk management responsibilities under coordinated management.

Meijin Energy's Three Lines of Defense for Risk Management	
First Line of Defense: Departments and Subsidiaries	Responsible for daily risk identification, risk assessment, risk decision-making, risk control and preparation of risk assessment reports within their respective departments or units. Heads of departments and subsidiaries serve as the first responsible persons for risk management, and risk management specialists are appointed to handle specific risk management work.
Second Line of Defense: Risk Control and Compliance Department	Responsible for formulating, revising and improving risk management operating rules, operating models and operating guidelines, coordinating the effective implementation of risk management requirements; and guiding and assisting the first line of defense in daily risk management.
Third Line of Defense: Audit and Supervision Department	Conducts independent supervision over the implementation and effectiveness of risk control.

The Company has formulated internal policies such as the Risk Management Measures and the Risk Control and Compliance Affairs Management Policy, which define the core process of risk management.

Meijin Energy Risk Management Process

Risk Information Collection

Departments and units extensively and continuously collect internal and external risk-related information, summarize and classify risk information according to the risk point catalogue, and establish a risk database.

Risk Identification

Based on the risk database, risk identification is carried out using methods such as potential event lists, interviews, questionnaires, process and operation analysis, and review of historical materials.

Risk Assessment

Identified risks are assessed based on analysis of risk causes, factors impeding risk occurrence, and risk consequences. Risks are then classified according to the results of consequence analysis.

Risk Response

Risk control solutions are formulated based on factors such as the importance of business objectives, risk control costs, and risk-return considerations, and are implemented after discussion at the Company's risk management special meetings.

Based on current market changes and industry development trends, the Company actively manages emerging risks and has identified three types of emerging risks:

Emerging Risk	Impact Analysis	Response Measures
Risk of Disruption in the Supply Chain for Key Materials and Energy	Supply chain disruptions may cause production lines to halt and order deliveries to be delayed, seriously affecting production and sales efficiency and operating revenue. Emergency procurement may also significantly increase operating costs and damage customer relationships.	Strengthen supply chain risk warning and monitor market dynamics in real time. Establish a diversified supplier system and contingency plans to ensure stable supply of key materials, avoid disruption risks, and safeguard smooth production operations.
Risks from Dual-Carbon Policies and Upgraded Industry Regulation	Policy tightening may increase environmental technology retrofit investment and compliance costs. Insufficient carbon allowances may lead to higher trading costs or production restriction risks, constraining capacity release in core businesses.	Establish a policy tracking system and plan compliance retrofits in advance. Increase investment in environmental protection facilities and application of low-carbon technologies to reduce carbon emissions. Actively participate in carbon trading and explore the value of carbon assets.

Extreme Weather Risk	Extreme weather may damage plant facilities and logistics transportation, causing production interruptions and equipment damage, resulting in casualties and property losses and disrupting normal business operations.	Establish a regular response mechanism, monitor warning information in real time, and activate emergency plans. Regularly inspect and maintain key facilities, reinforce foundations and optimize drainage to improve disaster resilience.
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The Company attaches great importance to cultivating and implementing risk awareness among all employees. In terms of awareness building, the Company provides risk management principle training to all employees and conducts regular special risk management training for all directors. At the implementation level, the Company integrates risk control concepts deeply into materials procurement, industrial investment, production safety and other processes, aiming to control risks at the source. In addition, the Company incorporates risk management indicators into performance appraisal, using financial incentives and constraints to strengthen risk and compliance awareness among all employees.

During the reporting period, the Company prepared to establish a risk factor database around supplier evaluation. The database covers five dimensions: strategy, market, operations, finance and compliance. It systematically identifies multiple specific risk types, uses a combination of qualitative and quantitative methods to assess the probability and impact of each risk, and conducts special analyses of matters assessed as medium-to-high risk. Targeted response plans are formulated and implemented, achieving closed-loop management across the full risk process and strengthening the Company's risk management capabilities.

■ 1.3.2 Due Diligence and Responsible Investment

Based on the characteristics of its business model, the Company has established and improved due diligence and responsible investment management mechanisms. The Company systematically embeds ESG assessment factors such as environmental protection and safety management into the entire process of due diligence, project decision-making and post-investment management to continuously strengthen investment risk control.

**Feasibility Study
Stage**

ESG indicators are set as pre-entry thresholds. During due diligence and review of feasibility study reports, the Company focuses on environmental compliance, social adaptability, governance standardization and other relevant matters, controlling investment risks at the source.

**Investment
Decision-Making
Stage**

ESG factors are treated as key assessment dimensions for investment decisions. Based on due diligence results, the Company conducts focused analysis of project compliance risks, earnings stability and reputational risks to ensure scientific and prudent decision-making.

**Post-Investment
Management Stage**

The Company systematically establishes a closed-loop management mechanism for negative public opinion related to the environment, safety and compliance of investee companies. For early warning, the Company applies a model of regular control, quarterly review and 24-hour abnormality reporting by enterprises to build a pre-emptive warning system. In terms of mechanism constraints, the Company develops special rectification plans for identified issues, strengthens post-investment supervision and implementation, verifies rectification results through third parties, and triggers investment constraint mechanisms for enterprises with delayed rectification.



1.4 Sustainability Management Mechanism

1.4.1 Sustainability Management Structure

The Board of Directors of Meijin Energy is fully responsible for evaluating and formulating the Company's sustainability strategy, and directly manages and supervises related work. The Board has established a Sustainability Committee, which is primarily responsible for researching the Company's sustainability and ESG work and making recommendations. It coordinates the practical management of core topics in environment, society and corporate governance, as well as the implementation of sustainability strategic objectives. The Company has also formed an ESG Working Group responsible for cross-departmental coordination and specific matters. The Working Group coordinates with the Company's functional departments to actively support its work, ensuring the smooth advancement of sustainability initiatives.

Decision-Making Level	Board of Directors	- Coordinate sustainability work - Review and supervise sustainability matters
	Sustainability Committee	- Supervise the Company's performance in climate, environmental protection, carbon reduction and social responsibility, and report to the Board - Strengthen stakeholder engagement, identify matters with major impacts, and provide recommendations to the Board. - Formulate ESG policies, strategies and targets, assess risks and supervise implementation - Review the annual ESG and sustainability report
Management Level	ESG Working Group	- Implement tasks assigned by the Sustainability Committee - Coordinate subsidiaries and functional departments in carrying out work. - Regularly collect ESG information and prepare the annual report for submission and review. - Report ESG work progress and promote precise implementation
	Functional Departments and Subsidiaries	- Provide materials related to sustainability work and assist the ESG Working Group. - Carry out specific ESG work and complete ESG targets assigned by management.
Implementation Level		

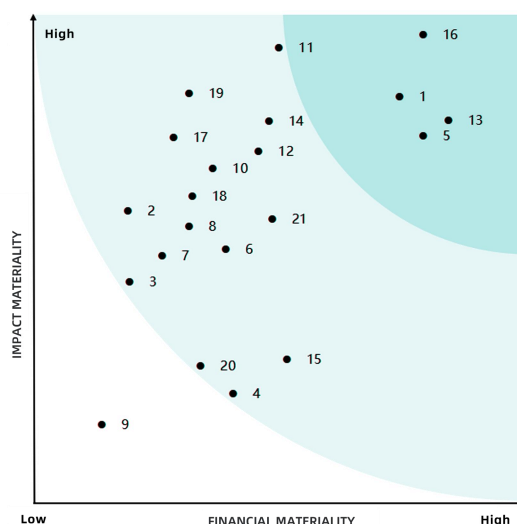
1.4.2 Identification and Assessment of Material Topics

In accordance with the requirements of the SZSE Guidelines, the Company regularly identifies and assesses material topics. During the reporting period, the Company conducted a double materiality analysis of sustainability topics. Through questionnaires, it assessed topics from two dimensions: financial materiality and impact materiality. Participants included internal and external stakeholders, such as employees, customers, suppliers and partners. The survey identified 4 topics with double materiality: addressing climate change, environmental compliance management, product safety and quality, and occupational health and safety. These topics are addressed in detail in this Report.

In addition, the Company systematically incorporates the materiality assessment results into its risk management work. It effectively manages related risks by conducting enterprise risk assessments, establishing a risk factor database, and improving dynamic rectification and monitoring mechanisms.

Topic Identification	Based on global sustainability trends, laws and regulations, macro policies, characteristics of the energy and chemicals industry, and Meijin Energy's strategic development plans and production and operation realities, the Company identifies sustainability topics that are material to or have an impact on the Company and its stakeholders.
Questionnaire Survey	Based on the identified topics, the Company designs the annual double materiality survey, clarifies topic assessment factors and materiality judgment criteria, and actively invites internal and external stakeholders to participate in the assessment through questionnaires.
Materiality Analysis	Based on survey results, the Company analyzes topics from the two dimensions of impact materiality and financial materiality and develops a materiality matrix.
Topic Prioritization	Management reviews and discusses the assessment results for impact materiality and financial materiality. The Board of Directors ultimately confirms the priority ranking of the topics.

**Meijin Energy Sustainability
Materiality Matrix**



Environmental Dimension		Social Dimension		Governance Dimension	
1	Addressing Climate Change	9	Rural Revitalization	18	Stakeholder Engagement
2	Pollutant Emissions	10	Social Contribution	19	Anti-Commercial Bribery and Anti-Corruption
3	Waste Management	11	Innovation-Driven Development	20	Anti-Unfair Competition
4	Ecological Environment and Biodiversity Conservation	12	Supply Chain Security	21	Due Diligence
5	Environmental Compliance Management	13	Product Safety and Quality		
6	Energy Utilization	14	Customer Service		
7	Water Resource Utilization	15	Data Security and Privacy Protection		
8	Circular Economy	16	Occupational Health and Safety		
		17	Employee Management		

1.4.3 Stakeholder Engagement

The Company maintains regular communication with stakeholders, including shareholders and investors, government and regulatory authorities, customers, employees, suppliers and partners, community organizations and others. By establishing diversified channels for daily and special communication, the Company collects the demands and opinions of all parties in a timely and comprehensive manner, and accordingly optimizes and adjusts its management and operational practices as appropriate.

Stakeholder	Key Topics of Communication	Communication Channels
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Government and Regulatory Authorities	- Addressing climate change - Pollutant emissions - Waste management - Ecological environment and biodiversity conservation - Environmental compliance management - Energy utilization - Water resource utilization - Circular economy	- Daily communication and reporting - Discussions and special seminars - Government supervision and inspections
Shareholders and Investors	- Anti-commercial bribery and anti-corruption - Due diligence	- Statutory information disclosure - Performance releases and meetings - Teleconferences and online interactions - Capital market conferences - Hotlines and roadshows
Customers	- Product safety and quality - Innovation-driven development - Customer service - Data security and customer privacy protection	- Daily service communication - Customer visits and meetings - Customer satisfaction surveys - Website and WeChat official account
Employees	- Occupational health and safety - Employee management	- Staff and Workers' Representative Congress - Employee training - Employee satisfaction surveys
Suppliers and Partners	- Anti-commercial bribery and anti-corruption - Supply chain security	- R&D cooperation - Supplier negotiations and communication meetings - Supplier training
Community Organizations, the Public and Media	- Rural revitalization - Social contribution	- Public welfare and charity activities - Community engagement activities - Reporting and complaint hotline - Media communication

The Company actively establishes communication channels with government departments, listens to government opinions, and actively provides feedback on implementation. In addition, the Company's leadership actively participates in government meetings and offers suggestions on industry development, technological innovation and other matters. As of the end of the reporting period, the Company's senior executives held the following social positions:

Name	Company Position	Social Positions
Yao Jinlong	Chairman	Member of the 14th National Committee of the Chinese People's Political Consultative Conference Executive Committee Member of the All-China Federation of Industry and Commerce Vice Chairman of the Shanxi Federation of Industry and Commerce Standing Committee Member of the Taiyuan Municipal Committee of the CPPCC Vice Chairman of the Taiyuan Federation of Industry and Commerce
Yao Jinli	Director	Standing Committee Member of the Sixth Beijing Daxing District Committee of the CPPCC
Yao Yu	Assistant to the President	Standing Committee Member of the 15th Qingxu County Committee of the CPPCC

[Case] Qingdao Meijin Receives a Research Delegation from the National Committee of the CPPCC

In July 2025, a research delegation from the National Committee of the CPPCC visited the Qingdao Meijin Hydrogen Technology Park for research. The Company actively supported the visit and gave a special report on energy transformation and upgrading, the full hydrogen industry chain layout and related work. This further strengthened communication with the government and laid a sound foundation for deepening multi-party cooperation and promoting high-quality industry development.



Caption: Qingdao Meijin receives the research delegation from the National Committee of the CPPCC

[Case] Meijin Energy Organizes Public Park Visits to Strengthen Communication with the Public and Promote the Hydrogen Industry

Meijin Energy has built a high-purity hydrogen exhibition hall and actively receives visits from government agencies, industry customers and student groups. Through large data-driven intelligent control screens, industrial park models, physical displays of core products and other media, the exhibition hall systematically presents the Company's hydrogen industry layout and development achievements, effectively enhancing stakeholders' understanding of the Company's hydrogen business. During the reporting period, the high-purity hydrogen exhibition hall received 297 group visits, with a total of 3,500 visitors.



Caption: Various groups visit the high-purity hydrogen exhibition hall

In addition, the Company communicated in advance with the stock exchange and regulatory authorities regarding routine information disclosure matters, and consulted regulatory authorities before disclosing major matters to ensure compliance. During the reporting period, the Company submitted nine activity summaries and six questionnaires to regulatory authorities and responded to regulatory inquiries in a timely manner.



02

CHAMPIONING GREEN TRANSITION, FORGING A SUSTAINABLE FUTURE

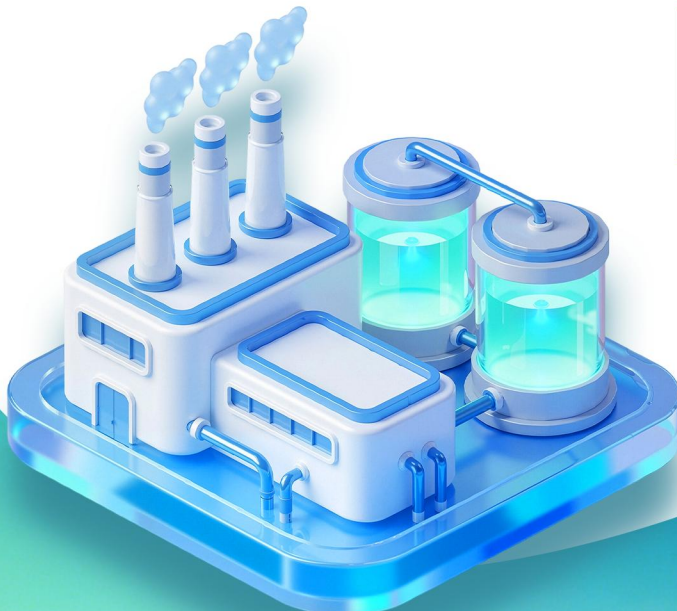
With the vision of “Low-Carbon World Expands the Future of Hydrogen” , Meijin Energy builds on its traditional energy foundation and continues to advance clean and low-carbon transformation. Around the full industry chain layout of “coal-coke-gas-chemicals-hydrogen” , the Company systematically implements energy conservation and carbon reduction, resource recycling and integrated pollution control, reducing the environmental impact of production and operations. At the same time, based on its hydrogen business layout, the Company cultivates new drivers of green development and promotes energy structure optimization and industrial upgrading.

TOPICS WE FOCUS ON

- Environmental Compliance Management
- Addressing Climate Change
- Pollutant Emissions
- Waste Management
- Energy Utilization
- Water Resource Utilization
- Circular Economy
- Ecological Environment and Biodiversity Conservation

OUR ACTIONS

- Implemented treatment of waste gas, wastewater and solid waste to ensure environmental compliance.
- Improved energy efficiency and utilization of surplus through technological innovation, equipment retrofits and residual energy recovery.
- Formulated carbon neutrality targets and carbon reduction pathway.
- Identified and assessed climate risks and conducted scenario analysis, and establish response measures.
- Advanced green mine development and land reclamation, protect the ecological environment.





2.1 Environmental Compliance Control

2.1.1 Governance

Meijin Energy attaches great importance to ecological and environmental protection. It continues to strengthen environmental management and governance capacity and has built an environmental protection management organization system with clearly defined responsibilities, vertical coordination and comprehensive coverage.

Oversight Level	Senior Executive	- The Company's Board of Directors appoints a senior executive to comprehensively oversee the formulation and implementation of the Company's environmental protection policies and commitments; - Focus on the implementation of specific work in key areas such as energy and water resource management, compliant pollutant emissions, and advancement of the circular economy; - Ensure the environmental protection strategy aligns with the Company's overall strategy.
	Production Management Department and Enterprise Management Department	- Coordinate environmental strategy and planning; - Jointly formulate and implement Company-wide environmental systems; - Regularly review environmental reports; - Supervise significant environmental risks and governance matters, continuously monitor changes in national and local regulatory policies, promptly communicate the latest national requirements, guide practical implementation, and promote the effective realization of environmental protection objectives.
	Subsidiaries and Relevant Departments	- Establish environmental committees or leadership groups led by the general manager or mine director as the first responsible person, fully in charge of organizing, coordinating, and providing resources for the unit's environmental affairs, breaking down and implementing the environmental goals assigned by headquarters, and coordinating the advancement of specific environmental work; - Set dedicated environmental management personnel responsible for daily environmental inspections, data recording, issue rectification, and information reporting.

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China* and other requirements. It guides subsidiaries in formulating environmental management systems and procedural documents according to their business characteristics, thereby strengthening the institutional guarantee for lawful and compliant operations.

The Company actively promotes environmental management system certification. As of the end of the reporting period, subsidiaries Huasheng Chemical and Tangsteel Meijin had passed ISO 14001 Environmental Management System certification and annual audits.

Meijin Energy Environmental Protection Policy

Our Commitments:

- Strictly comply with national and local environmental laws and regulations, and not conduct production in World Heritage sites, ecological conservation red lines or nature reserves.
- Continuously improve environmental management in key areas such as pollutant emissions, energy use, and water resource utilization; actively promote technological upgrading and green production; set relevant targets to facilitate continuous improvement in environmental performance.
- Uphold biodiversity conservation by implementing the mitigation hierarchy of "avoidance, mitigation, restoration, and compensation" in operations to minimize the impact of production activities on biodiversity.
- Establish public communication mechanisms and listen to opinions from regulatory authorities, industry, communities, and partners, promoting joint construction, governance, and sharing in environmental management.
- Actively conduct environmental training on environmental laws and regulations, environmental risk emergency management, and other related topics to cultivate environmental awareness among all employees.

2.1.2 Strategy

Meijin Energy adheres to the concept of green development, integrating environmental protection requirements into the full production and operation process, continuously promoting environmental risk identification and control, constantly improving environmental compliance management, and striving to achieve coordinated development of economic benefits and ecological environmental protection.

Risk Type	Risk Description	Response Measures
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Compliance and Policy Risks	Updates or stricter enforcement of environmental laws, emission standards and management systems may cause existing facilities, processes or management practices to fall short of compliance requirements.	Coal Segment: strengthen discharge permit management, green mine development and coal gangue recycling. Coke and Chemicals Segment: improve pollution control facility operation and waste gas, wastewater and solid waste management. Hydrogen Segment: identify emerging laws and manage pollutant compliance.
Environmental Emergency Risk	Equipment failure, operational error, natural disasters or external factors may cause sudden environmental incidents, pollution and operational disruption.	Coal Segment: build emergency ponds for mine rainwater accidents to avoid mine water overflow risks, and strengthens coal gangue storage stability monitoring and landslide risk prevention. Coke and Chemicals Segment: strengthen emergency management and prevent material leakage and pollutant overflow during the production process. Hydrogen Segment: strengthen control over hydrogen storage, transportation and use to prevent leakage.
Ecological Damage Risk	The long-term and cumulative negative impacts of production activities on natural ecosystems lead to the degradation of regional ecological functions.	Coal Segment: carry out land reclamation and biodiversity conservation. Coke, Chemicals and hydrogen Segment: conduct environmental impact assessments in accordance with laws and regulations before project construction, systematically identifies ecological impacts, and continuously implements ecological protection and restoration measures during the construction and operation stages.
Resource Depletion Risk	Insufficient energy efficiency may increase resource consumption intensity, constraints and costs.	Coal Segment: Coal gas power generation and waste heat utilization projects to improve resource utilization efficiency. Coke and Chemicals Segment: promote waste heat utilization and equipment upgrades to reduce energy consumption, strengthen water resource recycling, and reinforce the management of the three wastes. Hydrogen segment: Accelerates innovation and R&D in the hydrogen energy field, promotes the use of clean energy, and facilitates the development of energy transition.

2.1.3 Management of Impacts, Risks and Opportunities

Meijin Energy attaches great importance to environmental risk management throughout the entire production and operation process, regularly conducting environmental risk identification and hazard inspections on key areas such as production units, pollution control facilities, hazardous chemical storage, and three-waste management; systematically reviewing sources of sudden environmental incidents, formulating special prevention and control measures, and continuously enhancing the capacity for environmental risk prevention and control.

2.1.3.1 Environmental Emergency Plans and Drills

Focusing on potential environmental risk scenarios, the Company has established environmental emergency management mechanism, formulated environmental emergency response plans, and specified the emergency organization structure, information reporting procedures, and response processes to ensure the timely and standardized handling of sudden environmental incidents. The Company regularly organizes environmental emergency drills and specialized training, simulating typical situations such as wastewater leakage and hazardous chemical spills. The drills test the operability of the emergency plans, enhance employees' emergency response and coordinated handling capabilities, continuously strengthen the level of environmental compliance management, and minimize the adverse impact of production and operations on the environment.

[Case] Tangsteel Meijin Conducts an Emergency Drill for a Flange Leakage Incident

During the reporting period, the coke segment subsidiary Tangsteel Meijin organized an emergency drill for a flange leakage incident at the outlet of the wash oil regeneration tower in the crude benzene area of the recovery workshop. The drill simulated a leakage scenario that might trigger gas-related environmental risk. Emergency response procedures were activated quickly, and warning isolation, leakage handling and pollution control measures were carried out, successfully controlling the risk source. The drill tested the operability of the emergency plan and improved employees' environmental risk awareness and emergency response capabilities.



Caption: Tangsteel Meijin conducts an emergency drill for a flange leakage incident

2.1.3.2 Environmental Protection Investment

The Company continues to increase environmental protection investment, improve environmental infrastructure and upgrade technologies, deeply integrating environmental management with production and operations. Continuously enhance environmental management capabilities and pollution prevention levels, laying a solid foundation for achieving environmental compliance and green development. During the reporting period, the Company's environmental protection investment reached RMB 340 million.

2.1.3.3 Environmental Publicity and Training

The Company continuously carries out systematic training and publicity education to strengthen environmental management awareness and practical skills. Targeting different positions, professional training is conducted to improve the ability of managers and frontline employees to identify and respond to environmental risks. This includes introductions to national laws, regulations, and institutional rules; basic environmental knowledge; hazardous materials information; operating procedures for environmental protection facilities; and basic knowledge of emergency plans. Training also covers concepts for improving energy efficiency, enhancing water resource utilization, promoting waste reduction and recycling at the source, as well as analysis of typical accident cases. At the same time, the Company integrates important milestones such as "World Earth Day" and "World Environment Day", utilizing internal platforms and various publicity channels to carry out environmental advocacy and knowledge dissemination, promoting proactive participation by all employees in environmental management work.

■ 2.1.4 Metrics and Targets

Upholding the environmental management philosophy of "Compliance as the Foundation, Prevention as the Priority", the Company incorporates environmental protection objectives into the annual performance appraisal systems of the Company and key subsidiaries, ensuring environmental responsibilities are firmly implemented through a mechanism linking monthly evaluations to performance-based pay. Our core objective is to ensure that all operational activities strictly comply with national environmental protection regulations, achieve stable pollutant discharge within standards, and resolutely prevent the occurrence of major environmental pollution incidents.

Meijin Energy Annual Environmental Compliance Management Targets and Progress

Indicator	2025 Target	Progress
Improve the Environmental Management System	Establish environmental protection targets covering key production subsidiaries and incorporate them into performance appraisal.	The <i>2025 Implementation Rules for Organizational Performance Appraisal of Subsidiaries</i> incorporated environmental indicators into performance appraisal and linked them directly to total compensation.
Strengthen Implementation of Environmental Compliance Management	Strictly implement national environmental policy requirements, ensure compliant emissions and realize a green industrial chain ecosystem.	During the reporting period, four environmental violations occurred, with total fines of RMB 615,000. No major environmental pollution accidents occurred¹. The details are as follows: - Subsidiary Meijin Coal Chemical was fined RMB 77,000 for failing to ensure the proper operation of automatic online monitoring equipment for non-methane hydrocarbons at the emission outlets No. 1 and No. 2 of the coke ovens as required. - Subsidiary Fenxi Taiyue Coal Industry was fined RMB 56,000 because the gangue yard had no fixed water-spraying vehicle. - Subsidiary Coal Chemical Hydrogen Production was fined RMB 462,000 for water pollution caused by wastewater discharge. - Subsidiary Huasheng Chemical was fined RMB 20,000 because toxic gas detection alarms were not installed as required around the valve group of the carbon monoxide inlet separator. All fines have been paid and rectification has been completed.

In response to compliance lapses that occurred during the year, the Company conducted deep reflection and took this as a lesson to carry out inspection and improvement initiative for environmental facility operations and on-site management, aiming to further strengthen the compliance defense and enhance environmental risk prevention capabilities.

¹ Major or Above Environmental Pollution Accidents: Refers to "Major (Level III)", "Serious (Level II)", and "Especially Serious (Level I)" environmental emergencies as defined in the *National Emergency Response Plan for Environmental Emergencies*. Among these, a "Major Environmental Emergency" typically refers to an environmental pollution incident that directly causes the death of 3 to 10 people, or directly results in economic losses of not less than 10 million yuan but less than 20 million yuan, among other circumstances.



2.2 Addressing Climate Change

2.2.1 Governance

Climate change has become a key variable reshaping the global economic landscape. Faced with the complexity and urgency of climate issues, Meijin Energy regards addressing climate change as a core topic of corporate sustainability. The Company reviews and optimizes internal management practices, actively explores effective approaches to controlling climate risks, gradually integrates climate awareness into decision-making processes, and constantly improve our capacity for action in the face of environmental uncertainties to increase development resilience.

Decision-Making Level	Board of Directors	Fully responsible for evaluating and formulating the Company's climate strategy, directly managing and overseeing the entire climate governance process, supervising and guiding the identification, management, and response to climate-related risks and opportunities, approving major climate-related strategies, targets, and resource allocation, and ensuring the integration of climate issues with the Company's overall development strategy.
	Sustainability Committee	Under the Board of Directors, the Sustainability Committee is established to coordinate the practical management and strategic implementation of climate issues, with related responsibilities including: - Tracking the Company's climate-related practices to ensure that climate governance complies with regulatory requirements and aligns with the Company's strategic direction; - Enhancing communication with various stakeholders to identify significant climate-related impacts, risks, and opportunities; - Reviewing the annual climate information disclosure to ensure its compliance, completeness, and accuracy; - Leading the assessment of climate-related risks and opportunities, integrating climate management requirements into the Company's daily operations and business decision-making.

Implementation Level	ESG Working Group	• Implements climate-related tasks assigned under the Sustainability Committee, coordinates and oversees special climate governance work across subsidiaries and functional departments. • Organizes the formulation of climate-related management systems, development strategies, and phased objectives; • Regularly collects and consolidates climate-related data and information, prepares the annual climate information disclosure report, and submits it for review; • Tracks and reports the progress of climate work, promoting the accurate implementation of various climate governance measures.
	Functional Departments and Subsidiaries	• Responsible for providing business data and information related to climate governance; • Fully assist and cooperate in carrying out climate-related work to ensure effective implementation of climate governance requirements in each business unit.

The Board includes climate governance topics on its meeting agenda and regularly reviews climate strategies, targets and major decisions. The Sustainability Committee holds special meetings, reviews climate reports and supervises climate performance, and reviews climate-related reports.

2.2.2 Strategy

Since proposing the vision of “Low-Carbon World Expands the future of hydrogen” , Meijin Energy has followed the full industry chain layout of “coal-coke-gas-chemicals-hydrogen” and coordinated energy conservation, carbon reduction, circular economy development and clean energy transition. It is building a green and low-carbon production and operation system, accelerating the cultivation of new growth drivers for green development, and continuously refining and optimizing the green development path in practice.

Since 2024, the Company has voluntarily benchmarked against advanced international standards and, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), carried out climate risk and opportunity identification and assessment. It has introduced tools such as scenario analysis to assess business resilience, scientifically identifying risks and quantifying potential impacts, calibrating response measures, and dynamically optimizing strategies to seize certainty and new opportunities for corporate development in a changing climate environment.

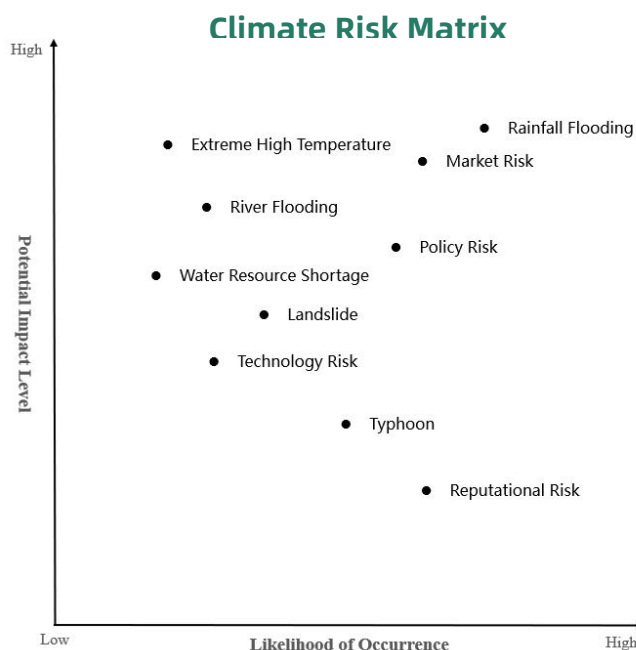
2.2.2.1 Climate Scenario Assumptions

To conduct comprehensive and in-depth climate risk management, the Company quantified climate risks using 2030 as the medium-term horizon and 2050 as the long-term horizon. It selected high-emission and low-emission scenarios to assess impacts of physical and transition risks.

	Impact Period	
	Short-Term	Within 1 year
	Medium-Term	From the next 1 year to 2030
	Long-Term	2031-2050

2.2.2.2 Climate Risk Analysis

Following TCFD recommendations, the Company identified and assessed physical and transition risks, analyzed financial impacts such as operating costs, revenue and asset value, and developed a risk matrix. Physical risks relate to extreme climate events and abnormal weather. Transition risks relate to policy, legal, technology and market changes under low-carbon transition.



Physical Climate Risk Analysis

For physical risks, we select two scenario models under the IPCC framework—SSP5-RCP8.5 and SSP1-RCP2.6—for quantitative risk analysis.

Physical Risk Scenario IPCC CMIP6

SSP5-RCP8.5 High Emission Scenario	Future socio-economic development continues to rely on fossil fuels, and warming by the end of the 21st century reaches approximately 4.4 degrees Celsius.
SSP1-RCP2.6 Low Emission Scenario	With global cooperation and strong policy support, the scenario aims to limit the increase in global average temperature to no more than 2 degrees Celsius above pre-industrial levels.

Physical Climate Risk List

Physical Risk	Impact Pathway	Value Chain Links Affected	Impact Period
Flooding, Including River and Pluvial Flooding	- Causes damage to fixed assets such as mining areas, storage facilities, and production plants, affecting asset value and interrupting production activities. - Increases drainage pressure in underground mines, resulting in additional expenditures for purchasing drainage equipment. - Causes pipelines to be exposed, damaged, or broken, leading to increased frequency of pipeline repairs and replacements as well as higher maintenance costs. - Damages transportation networks, delays raw material supply and product delivery, increases inventory pressure, and reduces operational efficiency. - Affects employee work safety and normal commuting.	- Production and operations - Logistics and transportation - Market and sales	- Short-Term - Mid-Term - Long-Term
Extreme Heat	- Increases electricity demand of temperature-sensitive equipment, reduces cooling system efficiency, increases operating expenses. - Accelerates the release rate of coal mine methane, increasing the pressure to reduce	- Production and Operation - Market and Sales	- Short-Term - Mid-Term - Long-Term

	greenhouse gas emissions, and raising operational costs and potential safety risks. Impacts normal business operations and employee health.		
Typhoon	- May damage infrastructure and equipment, cause shutdowns due to unstable voltage, increase maintenance costs - Affect raw material transportation and supply, leading to production stoppage. - Causes logistics disruptions and delays in product delivery, reducing customer satisfaction and affect revenue.	- Production and Operations - Logistics and Transportation - Market and Sales	- Short-Term - Mid-Term - Long-Term
Landslide	- Damages infrastructure, increases additional repair expenses, or causes production interruptions that affect revenue. - Threatens safe operations in mining areas, leading to safety accidents. - Landslides cause road interruptions or damage, negatively impacting the Company's supply chain and affecting subsequent production.	- Production and Operation - Logistics and Transportation - Market and Sales	- Short-Term - Mid-Term - Long-Term
Water Scarcity	- Water shortages lead to rising water prices and increasing water usage costs. - To reduce the impact of water stress, additional construction of water pipes and infrastructure results in higher operating costs. - Affects Water-intensive operations, lowering facility operational efficiency or causing interruptions, leading to revenue losses.	- Production and Operations - Market and Sales	- Short-Term - Mid-Term - Long-Term

For 11 cities where the Company's major assets are located, including Taiyuan, Beijing, Liupanshui and Hohhot, the Company conducted location-based physical risk scenario analysis to identify key

risk points and assess Physical Value-at-Risk (PVaR)², which represents potential losses from physical climate risks as a percentage of current enterprise value.

Scenario	Flooding, PVaR		High Temperature, PVaR		Typhoon, PVaR	
	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
2030	0.160%	0.147%	0.002%	0.006%	0.378%	0.379%
2050	0.491%	0.462%	0.008%	0.031%	0.736%	0.742%

The analysis shows that flooding, high temperature and typhoons may have relatively significant financial impacts in the Company's asset concentration areas. Under the 2030 scenario, coastal areas such as Shandong are more affected by typhoons. Under the 2050 scenario, assets in Shanxi and Guizhou face rising flood risks from heavy precipitation and river floods, while typhoon impacts intensify in Shandong and other areas.

Climate Transition Risk and Opportunity Analysis

For transition risks and opportunities, we selected two types of models under the IEA framework—STEPS Stated Policies Scenario and NZE Net Zero Emissions by 2050 Scenario—to conduct quantitative risk analysis:

Transition Scenario IEA GEC Model 2025	
IEA STEPS Stated Policies Scenario	This scenario covers implemented or announced energy, climate, and related industry policies, but assumes that these policy targets may not necessarily be achieved on time, carrying a degree of uncertainty.

² Physical Value-at-Risk (PVaR) represents the percentage of a company's current value that is lost due to physical climate risks over a specific time horizon.

IEA NZE Net Zero Emissions by 2050 Scenario	Reflects stronger policy efforts and the pathway for the global energy sector to achieve net zero emissions by 2050, consistent with limiting long-term warming to within 1.5 degrees Celsius.
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Under the STEPS scenario, the dual constraints of policy and market bring transformation pressures, yet the benefits of technological innovation and the green market have begun to emerge, becoming strong growth drivers. As the scenario progresses toward NZE, stringent carbon constraints will force traditional businesses to face structural challenges, but the explosive potential of green technologies and low-carbon markets will be fully unleashed, with value space far exceeding risk costs. This confirms that the higher the urgency of transformation, the more significant the first-mover advantage for pioneers.

Climate Transition Risks and Opportunities List

Dimension	Scenario	Transition Risks	Transition Opportunities
Policy Dimension	STEPS	Dual policy constraints: Coke production capacity control and carbon emission restrictions limit the growth potential of traditional businesses, with the profit side facing policy-induced contraction pressure.	Transitional policy support: Industrial by-product hydrogen aligns with the policy direction in the early stages of hydrogen energy development, and may receive first-mover policy support during infrastructure construction. Convert carbon reduction amounts into carbon assets to create a new profit growth pole.
	NZE	Stranded asset risk: The cliff-like decline in coal demand and the substitution of blast furnace processes will cause a fundamental shock to the main coke business due to unsustainable carbon costs, leading to stranded assets.	Hydrogen boom opportunity: The global demand for low-carbon hydrogen is surging, and companies that plan the entire industry chain in advance are expected to occupy core market shares in hydrogen-powered transportation and chemicals segments.

Market Dimension	STEPS	Dual pressure of volume and price: As downstream steel demand peaks and falls, and emission reduction pressure propagates upstream, the coke business faces a long-term moderately declining market environment; high-carbon industries are gradually losing competitiveness in the market, with limited growth potential.	Commercialization boom period: Driven simultaneously by the carbon market and hydrogen industry policies, the markets for hydrogen heavy-duty trucks and industrial parks are beginning to take shape. Companies with industry chain layouts are expected to leverage the dual advantages of hydrogen energy and carbon assets to build long-term competitiveness.
	NZE	Structural demand reduction: The widespread application of low-carbon steel making processes such as hydrogen metallurgy achieves decarbonization at the source, dramatically reducing the market demand for coke.	Green chemical restructuring: Hydrogen-derived green ammonia and green methanol become core chemical raw materials, providing coal chemical enterprises with existing foundations new market growth opportunities.
Technology Dimension	STEPS	Sunk cost risk: Although the ultra-low emission retrofit reduces costs in the short term, it faces long-term technology lock-in effects, and investments in traditional coking technology carry the risk of asset stranding.	Low-cost switching advantage: Leveraging the low-cost advantage of hydrogen production from coke oven gas, combined with hydrogen technology partnerships, enables flexible switching from grey hydrogen to green hydrogen and smooth technological transitions.
	NZE	Technological iteration and elimination: Hydrogen production technology is shifting from high-carbon routes to low-carbon processes, and enterprises face a technology transition window	Full industry chain value-added: Enterprises mastering the full cycle of "production, storage, transportation, refueling, and utilization" technologies will cover diverse scenarios such as

		before 2030, requiring them to bear immense capital investment pressures.	hydrogen energy storage and distributed power generation, enjoying the value-added benefits of the entire industry chain.
Reputational Dimension	STEPS	Disclosure pressure: As a high carbon-emission industry, it faces increasingly strict scrutiny under ESG practices. Insufficient disclosure of transformation progress may lead to higher financing costs.	Low-carbon transition premium: As a strategic emerging industry, the hydrogen sector's pioneering enterprises are more likely to gain favor in the capital markets. High-quality ESG disclosure enhances green competitiveness and secures a significant ESG reputation premium.
	NZE	High-carbon label risk: If the transformation is not completed before 2040, the Company will be labeled as a "high-carbon legacy enterprise", triggering a chain reaction such as divestment and financing difficulties.	Industry benchmark position: Successfully transforming into a leading hydrogen enterprise will establish a pioneer image in green transformation, gain substantial reputation premiums, and attract high-level resources such as international cooperation and joint development of zero-carbon industrial parks.

The distribution of financial impact levels from transition risks and opportunities across different dimensions under the STEPS and NZE scenarios for the Company is as follows:



Financial Impact by Dimension	Transition Risk		Transition Opportunity	
	STEPS Scenario	NZE Scenario	STEPS Scenario	NZE Scenario
Policy Dimension	Medium-High	Extremely High	High	Extremely High
Market Dimension	Medium-High	Extremely High	Medium-High	Extremely High
Technology Dimension	Medium	Medium-High	High	Extremely High
Reputational Dimension	Medium	High	Medium-High	Extremely High

2.2.2.3 Climate Risk Responses

Facing the interplay between "Pressure" and "Driving Force", Meijin Energy adheres to the strategic resolve of "Seeking Opportunities in Crises and Promoting Stability Through Progress". The Company proactively embraces change to respond to industry cycles, while strengthening the "Firewall" against climate risks, transforming transitional pressures into intrinsic momentum for technological upgrades and industrial iteration. Through forward-looking, full-industry-chain deployment, it seizes the high ground of zero-carbon development, achieving a leap from "Passive Adaptation" to "Proactive Leadership".

Climate Physical Risks Response: Building an Extreme Climate Defense System

**Responses to Physical Climate Risks:
Building a Defense System against Extreme Climate Events**



**Acute Risks:
Flooding,
Typhoons and
Landslides**

- Infrastructure upgrades: Strengthen flood control and drainage construction in industrial parks, improve standardized drainage networks, flood storage facilities, and emergency power supply systems; for newly built hydrogen energy industrial parks and hydrogen refueling stations, enhance design standards for flood and wind resistance.
- Emergency mechanism development: Establish tiered response plans and business continuity management mechanisms, equip critical devices with backup systems, develop alternative supply chain plans, and ensure the operation of core business under extreme weather conditions.
- Geological disaster management: Conduct terrain assessments and slope reinforcement, establish landslide monitoring and early warning systems, and use engineering measures such as drainage ditches and retaining walls to reduce geological disaster damage caused by extreme weather.

**Chronic Risks:
High
Temperature
and Water
Scarcity**

- High-temperature adaptation management: For temperature-sensitive processes in production, optimize equipment cooling parameters and maintenance cycles, implement staff rotation and protection measures, adjust processes when appropriate, and ensure production stability under extreme heat.
- Process water conservation and digital monitoring: Fully promote coke dry quenching technology transformation to achieve water savings, gradually replace "water cooling" with "air cooling" technology, and support with condensate recovery and advanced wastewater treatment and reuse facilities to reduce dependence on freshwater resources.
- Diversified water source reserves: Build rainwater collection systems and emergency water reserves, explore the utilization of unconventional water sources, and enhance the capability to ensure water supply security.

Climate Transition Risk and Opportunity Response:
Create a Low-Carbon Ecological Moat
**Policy
Dimension**

- Establish a compliance buffer zone: Vertically integrate the entire industry chain of "coal - coke - gas - chemical - hydrogen", convert coking by-product hydrogen into clean energy, and leverage the circular economy model to address pressures from carbon tariffs and dual energy consumption control policies.
- Improve carbon management level: Establish and strengthen a carbon management system, solidify foundational capabilities, and deepen management effectiveness. Build a carbon emission accounting and

	monitoring system, improve the data quality management mechanism, ensure that carbon data is traceable and verifiable, and promote the upgrade of the carbon management system from "compliance-driven" to "value-driven", providing a solid foundation for the enterprise's low-carbon transformation.
Market Dimension	• Diversified business scenarios: Scale up the commercialization of hydrogen-powered heavy trucks and build cross-regional hydrogen refueling networks; expand into heavy equipment such as hydrogen locomotive heads and export business to mitigate single-market risk. • Accelerating hydrogen energy deployment: Leverage nationwide layout and output experience from hydrogen industrial parks, strengthen the "Hydrogen Energy Leader" brand image through high-end industry conferences, enhance recognition in capital markets; explore diversified financing models and tap into green premiums. • Actively participating in the carbon market: Develop carbon assets based on emission reduction achievements across the entire industry chain and engage in trading to convert environmental value into economic returns; use carbon market signals to optimize production and investment decisions, enhancing access to green finance.
Technology Dimension	• Domestication of core technologies: Make every effort to tackle key technologies in hydrogen energy, achieve large-scale production of core materials such as carbon paper and membrane electrodes, deploy PEM water electrolysis technology, and realize technological leaps for clean hydrogen and low-carbon hydrogen. • Decarbonization and digitalization of traditional business: Implement energy-saving and carbon-reducing technological upgrades in coking, upgrade the coke dry quenching system to delay asset stranding risks; explore the "intelligence + energy" model to optimize overall process efficiency.
Reputational Dimension	• Brand image revamp: Leverage national presence to share experience in developing hydrogen energy industrial parks, reinforce the "Hydrogen Industry Leader" brand image through high-end industry conferences, and enhance recognition in the capital market. • Stakeholder communication: Actively participate in industry exchanges and seminars, proactively showcasing the Company's first-mover advantages and full industry chain layout in the hydrogen sector, thereby strengthening investor and public confidence in the transformation strategy.

■ 2.2.3 Management of Impacts, Risks and Opportunities

The Company incorporates climate risks into its risk assessment and governance framework and establishes a risk management process covering risk identification, risk impact and assessment, scenario analysis and risk response.

Risk Identification	By closely monitoring and tracking policies and regulations, market changes, technological developments, and abnormal climate events—and based on peer analysis, external expert judgment, internal risk screening, and historical experience—Meijin Energy identifies climate indicators with potential impact on the Company and compiles a list of climate risks and opportunities.
Risk Impact and Assessment	Based on the identification results, further refine the analysis of impact pathways through various types of risks and the transmission paths affecting Meijin Energy's own operations and its upstream and downstream value chain. Through interviews with company departments and subsidiaries, conduct a preliminary assessment of the likelihood and extent of climate risks and opportunities, thereby forming a climate risk and opportunity matrix.
Risk Scenario Analysis	Carry out scenario analysis by adopting multiple climate scenarios from mainstream institutions such as the IEA and IPCC, to further explore the climate impacts that the Company's business operations may face under various future climate scenarios. Calculate potential financial losses, and rank major risks in order of materiality, ultimately determining the priorities for Meijin Energy's climate response.
Risk Response	Develop climate response strategies and measures based on assessment and scenario analysis results, and manage risks in a targeted manner to build climate resilience.

■ 2.2.4 Metrics and Targets

Meijin Energy, taking the *United Nations Framework Convention on Climate Change* and the *Paris Agreement* as benchmarks, actively responds to the national "carbon peak and carbon neutrality" goals. In combination with its own development strategy, it formulates and continuously optimizes climate targets, steadily advances the optimization of the energy structure and the construction of an industrial ecosystem, and is committed to achieving coordinated unification of economic, social, and environmental benefits.

Meijin Energy Targets for Addressing Climate Change

- **Deepen energy conservation and carbon reduction actions:** continue to promote energy-saving and carbon-reduction projects, actively participate in the application of advanced low-carbon technologies in traditional industries, continuously drive technological breakthroughs in the hydrogen energy industry, and accelerate the development of a carbon-hydrogen synergistic model.
- **Strengthen residual energy recycling and cascading utilization:** enhance the ability to utilize residual energy, explore the potential for cascade utilization of energy, promote the recycling of energy resources, and reduce energy waste and carbon emissions.
- **Promote water-saving production model:** expand the Huasheng model internally, improve the water-saving management system, continuously enhance the overall water-saving production level, and achieve efficient utilization of water resources.
- **Expand carbon management scope:** Enhance the level of carbon management, gradually expand the coverage of carbon management with key production units as pilots, and progressively establish and improve the carbon emission monitoring, statistics, and accounting system.
- **Activate carbon asset value:** actively participate in carbon market activities, explore paths for carbon asset development and trading, revitalize carbon asset value, and promote the coordinated development of carbon asset value preservation and appreciation with low-carbon transition.
- **Enhance climate risk awareness:** Strengthen internal climate risk awareness training, improve employees' ability to identify and respond to climate risks, and integrate climate risk management into daily operations and strategic decision-making of the enterprise.

During the reporting period, the Company carried out GHG emissions verification. Scope 1 direct GHG emissions were 4.2746 million tonnes of CO₂e, and Scope 2 indirect GHG emissions were 1.0863 million tonnes of CO₂e.



2.3 Optimizing Resource Utilization

2.3.1 Energy Management

Meijin Energy actively builds a scientific and efficient energy management system, coordinating the promotion of energy conservation, consumption reduction, and efficient energy utilization across all business segments. Each subsidiary, based on its own business conditions, establishes a comprehensive and scientific energy management organizational structure, clarifies management responsibilities at all levels, develops matching energy management systems and standards, conducts routine monitoring, statistics, and analysis of energy usage, continuously improves energy utilization efficiency, steadily advances the implementation of energy-saving and consumption-reducing initiatives, and helps accelerate the Company's green transformation.

2.3.1.1 Development of the Energy Management System

The Company continues to strengthen the foundation of energy management, fully promoting the construction of standardized energy consumption statistical ledgers, establishing a standardized energy data statistics and management mechanism, regularly accounting for and analyzing various types of energy consumption, and promoting refined and normalized energy management. The Company actively advances environmental management system certification. As of the end of the reporting period, subsidiaries Huasheng Chemical and Tangsteel Meijin have passed ISO 14001 environmental management system certification and annual audits, further enhancing the Company's overall energy coordination and control capabilities.

2.3.1.2 Energy Conservation and Emissions Reduction

Meijin Energy solidly advances the construction of energy conservation and emission reduction across all areas, formulating special energy management plans based on actual production and operation, and promoting targeted implementation of energy-saving and carbon-reducing measures. In terms of residual energy utilization, the Company continues to tap into the potential for residual energy use throughout the entire production process, jointly promoting technological innovations in key equipment and core processes, continuously improving the overall efficiency of energy utilization, and contributing to the Company's energy conservation, consumption reduction, and green, low-carbon, high-quality development.

Coal Mine Gas Power Generation	The coal segment subsidiary Jinfu Coal Industry and Dongyu Coal Industry have completed the construction of the gas power generation system, generating approximately 62.85 million kWh during the reporting period, equivalent to a reduction of 33,000 tonnes of CO₂ emissions, effectively enhancing the comprehensive utilization of gas resources and reducing energy waste.
Waste Heat Recovery	- The coal segment subsidiary Jinhui Coal Industry has completed the waste air waste heat recovery heating system and the air compressor waste heat recovery defrosting system, recovering a total of about 195,000 GJ of heat during the year. - The coal segment subsidiary Dongyu Coal Industry has continued to consolidate the achievements of gas power generation and waste heat recovery over the years. During the reporting period, it expanded and optimized the waste heat recovery system, extending the waste heat utilization cycle to 9.5 months and achieving zero energy consumption for employees' bathing hot water. A total of 44,200 GJ of heat energy was recovered during the reporting period. - The coal segment subsidiary Jinfu Coal Industry has built a gas power plant heat exchange station and an air compressor waste heat recovery system, using the recovered heat energy for mine-wide heating and employees' bathing. During the reporting period, a total of 10,000 GJ of heat energy was recovered.
Waste Heat Power Generation	- The coke segment subsidiary Huasheng Chemical added a new coke dry quenching system and installed a waste heat power generation unit during the reporting period, reducing the amount of electricity purchased and energy consumption in the coking process. It is estimated to save about 80,000 tonnes of standard coal annually and reduce CO₂ emissions by more than 200,000 tonnes. - The coke segment subsidiary Guizhou Huayu relied on the waste heat recovery system to achieve internal steam self-sufficiency and uses surplus steam for power generation. During the reporting period, approximately 2.3487 million GJ of heat were recovered, effectively reducing energy consumption and waste.

**Equipment
Retrofits**

- The coal segment subsidiary Dongyu Coal Industry carried out variable-frequency technology upgrades on the main transportation system and the ventilation system during the reporting period. Upon completion, the overall power-saving rate is expected to increase by **10%**, with annual power savings reaching **800,000 kWh**.
- The coke segment subsidiary Tangsteel Meijin implemented power-frequency modifications on the coke dry quenching flue gas desulfurization fan, the dephenolization tower circulating pump, and the hot lean oil pump during the reporting period. By reducing electricity consumption, power costs were cut by about **RMB280,000**; the ratio of active to reactive power generation was optimized to ensure stable plant power factor, continuously lowering the cost per ton of coke.
- The chemicals segment subsidiary Huasheng Chemical's ethylene glycol project carried out technical modifications to the regenerated tail gas process, with an expected by-product steam output of about **20 t/h**, potentially saving over RMB 10 million in annual energy costs.
- The chemicals segment subsidiary Coal Chemical Hydrogen Production optimized compressor parameters to reduce unit power consumption, saving approximately **1.5 million kWh** during the reporting period, equivalent to reducing carbon dioxide emissions by about **800 tonnes**.

In terms of clean energy applications, the Company continues to advance the layout of new energy applications, contributing to green and low-carbon development. During the reporting period, the Company actively promoted the application of hydrogen-powered vehicles in product transportation, achieving greener upstream and downstream transportation processes; meanwhile, it actively promoted new energy lighting facilities such as solar streetlamps, supporting the low-carbon transformation of production operations and daily management.

**Hydrogen-Powered
Vehicle
Transportation**

- The coal segment subsidiary Dongyu Coal Industry actively promoted hydrogen-powered vehicle transportation services in raw coal transport. During the reporting period, hydrogen fuel vehicles accounted for 62% of use in coal product transport and unloading processes.
- The coke segment subsidiary Guizhou Huayu's transportation system covered hydrogen fuel cell vehicle logistics and hydrogen-powered railway freight. During the reporting period, a total of 46 hydrogen-powered heavy trucks were in operation, with an accumulated mileage of approximately 134.6 kilometers;

New Energy Lighting

hydrogen-powered railways dispatched 169 loaded trains and received 90 loaded trains in total.

- The chemicals segment subsidiary Runjin Chemical continued to carry out solar streetlight replacement initiatives, replacing 35 solar streetlights during the reporting period, saving over 10,000 kWh of electricity annually, equivalent to reducing approximately 5.3 tonnes of carbon dioxide emissions.



Caption: Huasheng
Chemical's new coke dry
quenching system



Caption: Huasheng
Chemical's new waste heat
power generation unit



Caption: Guizhou Huayu
hydrogen-powered
railway



2.3.1.3 Energy Efficiency Training

The Company continuously promotes energy management publicity and training by distributing energy-saving advocacy letters, conducting energy-saving briefings before shifts, and organizing specialized energy-saving training, in order to strengthen all employees' awareness of energy conservation and consumption reduction. The coal segment subsidiary Jinfu Coal Industry carried out an energy promotion campaign themed "Energy Saving and Efficiency Enhancement, Leading with Renewal", advocating the practice of the "135"³ green travel mode, launching themed activities such as parking fuel vehicles for one day, turning off air conditioning for one day, and reducing lighting in public areas, to encourage all employees to experience low-carbon office and commuting. During the reporting period, the coke segment subsidiary Huasheng Chemical held a total of six specialized training sessions on energy saving and consumption reduction, covering multiple aspects such as enterprise energy efficiency diagnosis, green factory development, clean production, low-carbon management, and introduction to energy management standards.



Caption: Huasheng Chemical energy-saving training



Caption: Jinfu Coal Industry
energy-saving publicity

2.3.2 Water Resource Utilization

Meijin Energy strictly complies with the *Water Law of the People's Republic of China*, the *Regulation on Groundwater Management*, and other laws, regulations, and management rules, and has established a Water Resources Management Center to coordinate various water resource governance tasks. Each business segment formulates water-related systems and management standards based on its own operational conditions to ensure lawful acquisition and use of water resources, while actively promoting water resource management and recycling to improve water utilization efficiency.

2.3.2.1 Water Withdrawal Management and Recycling

The Company's operational water sources mainly include third-party municipal water supply, surface water, and groundwater (including mine water and underground well water). All water

³ "135" green travel mode refers to walking for distances within 1 kilometer, cycling for distances within 3 kilometers, and taking public transportation for distances of around 5 kilometers.

intake by the Company is fresh water, and all subsidiaries involved in production and operations have legally obtained water intake permits and paid water resource taxes. During the reporting period, the Company did not incur any violations related to water withdrawal.

Each business segment of the Company allocates water withdrawal channels scientifically according to the natural conditions and groundwater resource distribution of their operating areas, while simultaneously advancing multiple water resource recycling projects, continuously implementing technological upgrades and management optimization to enhance the level of water resource recycling. During the reporting period, the Company's wastewater reuse rate reached 75.85%.

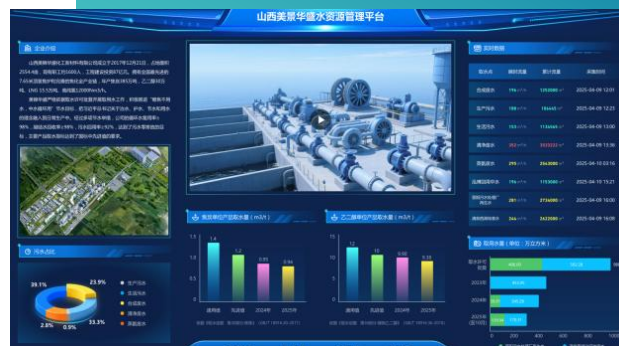
Reducing New Water Withdrawal at the Source

- The coal segment subsidiary Dongyu Coal Industry has built rainwater collection ponds, water treatment stations, and other facilities in the mining area to fully collect alternative water sources such as rainwater, greywater, and sewage. After treatment, these sources are reused in production processes and for irrigation, further reducing the consumption of newly extracted water.
- The coke segment subsidiary Huasheng Chemical has constructed the Asia's most advanced 7.65-meter coke dry quenching coke oven, adopting low-temperature inert gas coke dry quenching to innovate the coke cooling method, replacing the traditional water cooling approach, thereby reducing water usage from the source.

Recycling Production Water

- In the coke segment, subsidiary Huasheng Chemical has established a water resource management department, built a water resource information management platform, and equipped it with an automatic water usage monitoring system, condensate recovery system, sewage recovery system, and the coke dry quenching system to achieve a fully closed-loop water recycling process. All production and domestic wastewater is reused.
- The coke segment subsidiary Guizhou Huayu replenished concentrated brine produced by the desalination device into the circulating water system, reducing the amount of raw water replenishment from external sources.
- The chemicals segment subsidiary Coal Chemical Hydrogen Production carried out modification work on the reclaimed water reuse pipeline, enabling reclaimed water reuse and reducing raw water consumption.
- The chemicals segment subsidiary Runjin Chemical newly installed reclaimed water pipelines, significantly reducing water intake.

The coke segment subsidiary Huasheng Chemical achieved efficient and intelligent control through an intelligent water management system; coke dry quenching implemented water reduction at the coke oven source; and the circulating water system promoted the recycling of water resources, forming a three-dimensional water-saving system of "technological innovation + recycling + intelligent control". It was recognized by the National Water Conservation Office as one of the "Top 10 Classic Cases of Water Conservation in China 2024" and awarded the title of "Advanced Collective for Water Conservation in China" by the Ministry of Water Resources.



Caption: Huasheng Chemical water resource management platform

2.3.2.2 Water Risk Management

During the reporting period, the Company conducted water risk assessments⁴ for key production subsidiaries. The results showed that 11 subsidiaries are located in regions with relatively high overall water risk and water stress, with total water consumption of 6.0945 million cubic meters. Future analysis showed that 11 subsidiaries face relatively high future water stress, while three subsidiaries may have below-average future water availability. The Company has formulated special response plans for current and future water risks, committed to continuously improving the water recycling rate, focusing on reducing the intensity of new water usage, and achieving efficient and sustainable use of water resources.

Meijin Energy Water Risk Management Plan

Risk Type	Risk Description	Response Measure and Plan
Regulatory Risk	The continuous improvement of national and local water resources management laws, regulations, and water usage quota standards may impose higher requirements on enterprise water extraction	Continue to monitor changes in water resource-related laws and regulatory policies, and regularly carry out compliance self-inspections and rectifications.

⁴ The Company uses the World Resources Institute's Aqueduct Water Risk Atlas tool to conduct water risk assessments, identifying regions where both the overall water risk and water stress are at high risk level or above. Future water consumption analysis is based on the SSP1 RCP2.6 scenario, with the year 2050 as the time node, to project water-related risks for the period 2035-2065. Future available water volume is classified according to the Global Water Analysis Tool's grading standard, which divides global regional available water volume into levels 1 to 8, where levels 1-4 represent below-average levels and levels 5-8 represent above-average levels.

	permit management and total water usage control.	
Water Scarcity Risk	In some regions, water resources are relatively limited. Meanwhile, climate change and increasing regional water demand may pose risks to the stable operation of enterprise water supply facilities and production water security, thereby affecting production arrangements and increasing pressure on water usage costs.	- Conduct surveys on the status of water resources and analysis of future water resource trends, and formulate corresponding management and response plans. - Promote water circulation and reuse of reclaimed water to reduce direct water extraction demand. - Improve emergency and backup water supply safeguard mechanisms, explore diversified water source allocation, and ensure a stable water supply for production.
Water Quality Safety Risk	Inadequate wastewater management during production and operation may lead to the discharge of polluted wastewater, adversely affecting the surrounding water quality at the production site.	- Implement comprehensive utilization of mine water treatment and production water to promote zero discharge of production wastewater. - Construct rainwater collection ponds and other facilities to improve the utilization level of water resources. - Establish an online water resource monitoring system to strengthen monitoring and management during the water usage process.
Ecological Impact and Community Conflict Risk	The continuous improvement of national and local water resources management laws, regulations, and water usage quota standards may impose higher requirements on enterprise water extraction permit management and total water usage control.	- Reduce the impact of water use through land reclamation and ecological restoration. - Establish smooth communication mechanisms and proactively accept external supervision.

2.3.2.3 Water Conservation Training

The Company continuously promotes water conservation publicity and training, carrying out water

conservation education through various forms such as water conservation communication and themed training. It popularizes water conservation knowledge, strengthens employees' awareness of water conservation, promotes the integration of water conservation concepts into all aspects of production and operation, and enhances employees' enthusiasm to participate in water conservation actions.

2.4 Emissions Compliance Management

2.4.1 Waste Gas Management

Meijin Energy strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and other relevant legal requirements, establishes and improves specialized exhaust gas management measures, and firmly adheres to the compliance baseline for exhaust gas emissions. Waste gas pollutants mainly include sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM) and volatile organic compounds (VOCs). The Company has built a closed-loop exhaust gas management system covering the entire production process, coordinating source control, process treatment, and end-stage supervision for the full chain of exhaust gas reduction. Leveraging environmental online monitoring devices, it achieves real-time dynamic monitoring of exhaust emissions and regularly commissions third-party professional agencies to conduct monitoring and verification, establishing a multi-dimensional compliance defense to ensure the entire process meets national and local environmental protection standards.

Coal Segment

- In the coal segment, the main exhaust gas emissions come from dust and other unorganized discharges during production. Closed management is implemented at key locations such as underground mining faces, transportation systems, and conveyor belt trestles, equipped with spray dust suppression or crushing and screening dust suppression facilities. In addition, standardized covering of coal transport vehicles with tarpaulins and tire washing operations are carried out to achieve full-process dust control, significantly reducing unorganized emissions.

Coke Segment

- In response to the *Opinions on Promoting the Implementation of Ultra-Low Emission in the Coking Industry* published by the Ministry of Ecology and Environment, all subsidiaries in the coke segment have carried out ultra-low emission upgrades. Among them, subsidiary Tangsteel Meijin has completed the ultra-low emission upgrade, with major pollutant emission levels meeting the ultra-low emission requirements; Huasheng Chemical has further met the ultra-low

Chemical Segment	emission upgrade requirements of Taiyuan City, in accordance with the <i>Opinions on Implementing Deep Pollution Control in the Steel and Coking Industries to Promote High-Quality Development of the Steel and Coking Industries</i> published by Shanxi Province, which set higher standards and better emission indicators.
	In the chemicals segment, subsidiary Runjin Chemical adopted automatic enclosed facilities for loading and unloading of production raw materials and products, with all exhaust gas outlets being centrally collected and treated in compliance through recovery, absorption, adsorption, or catalytic combustion measures to ensure emissions meet standards.
Hydrogen Segment	In the hydrogen segment, subsidiary Qingdao Meijin used comprehensive management technologies including dust collection and removal, exhaust gas adsorption and purification, UV photocatalysis treatment of exhaust gases from the sewage station, and low-carbon, low-nitrogen combustion in boilers to achieve efficient exhaust gas treatment and ensure major pollutants meet emission standards.

2.4.2 Wastewater Management

Meijin Energy strictly adheres to the requirements of the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant regulations, establishes a comprehensive wastewater management system, and builds a full-process control system covering "Water Intake—Water Use—Drainage". By improving sewage treatment facilities and online monitoring systems, the Company ensures that industrial and domestic wastewater is properly collected and treated, achieving standardized collection, treatment, and compliant discharge.

Coal Segment	Each subsidiary in the coal segment has established sewage treatment stations in mining areas and implemented various water resource recycling measures, enabling all treated industrial and domestic wastewater to be reused, achieving zero external wastewater discharge.
Coke Segment	Each subsidiary in the coke segment collected industrial and domestic wastewater in a unified manner, conducted centralized treatment, and reused it after professional treatment by third-party sewage processors.
Chemical Segment	In the chemicals segment, subsidiary Runjin Chemical treated wastewater from each production unit based on clean/dirty water separation, ensuring compliant discharge after effective treatment.

**Hydrogen
Segment**

- The hydrogen segment subsidiary Qingdao Meijin has a sewage treatment station within the plant area, including a pre-treatment system and a comprehensive wastewater treatment system. All wastewater was discharged externally only after meeting the treatment standards.

No acid rock drainage risk has been identified in the coal segment. The Company will continue to monitor mining area geology and groundwater and manage acid rock drainage risk, and ensure that environmental safety and water resource protection measures remain effective.

2.4.3 Waste Management

Meijin Energy strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill*, the *Standard for pollution control on hazardous waste storage*, and other laws, regulations, and national standards. Following the principles of reduction, resource utilization and harmless treatment, it has established solid waste systems and standards and manages classified collection, standardized storage, compliant disposal and recycling of hazardous and non-hazardous waste. This ensures that solid waste treatment remains compliant, controllable, safe, and orderly, while minimizing the impact of solid waste disposal on the ecological environment.

	Hazardous Waste	Non-Hazardous Waste
Coal Segment	Waste mineral oil, waste packaging containers, etc.	Coal gangue, coal slime, etc.
Coke Segment	Acid tar, tar residue, desulfurization waste liquid, etc.	Dust removal ash, desulfurization ash, scrap metal, etc.
Chemicals Segment	Waste mineral oil, waste organic solvents, etc.	Scrap metal, office and domestic waste, etc.
Hydrogen Segment	Waste containing organic halogen compounds, waste coatings, etc.	Scrap metal, office and domestic waste, etc.

The Company implements strict management of waste, establishing a system of classified collection, ledger recording, and designated personnel responsible for daily management. Various types of waste are collected and labeled separately according to category, with mixing strictly

prohibited. In particular, hazardous waste is subject to strengthened control, and it is strictly forbidden to mix hazardous waste with other waste. A dedicated waste storage facility is established, managed by designated personnel, with strict control over storage duration.

For various types of waste generated during the production process, those meeting the conditions are recycled internally under the premise of ensuring safety and environmental protection, achieving the management goals of "Minimization, Resource Utilization, and Harmlessness". Those that cannot be internally recycled are promptly transferred in accordance with regulations to qualified third-party units for compliant disposal, ensuring the entire process of waste collection, storage, and disposal is standardized, safe, and environmentally friendly.

Waste Management Awareness Training

The Company continually strengthens employees' understanding of waste classification, collection, storage, and standardized disposal through publicity, education, and training on relevant systems, basic knowledge, and operational standards. This enhances environmental protection and compliance awareness across the organization, and ensures the implementation of waste management measures.

Source Reduction

The coke segment subsidiary Meijin Coal Chemical continuously improved the production process by adopting advanced technologies and equipment, optimizing production workflows, enforcing strict operational management, and replacing raw materials. These measures reduce the generation of hazardous waste and achieve source reduction management.

Waste Recycling

The coal segment crushes coal gangue and completely uses it for mine backfilling or has it recycled by third parties into bricks and stones for reuse. During the reporting period, a total of 1.1848 million tonnes of coal gangue was generated, and the recycling rate of coal gangue reached 100%. The coke segment, after professional processing of tar residue and acid tar, used them for secondary coking, achieving 100% recycling. This greatly improves resource efficiency, creates a circular economy model, and promotes sustainable development.





2.5 Practicing Ecological Conservation

2.5.1 Biodiversity Management

Meijin Energy complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Measures for the Administration of National Natural Resources* and the *Technical Specifications for Mine Ecological Environmental Protection and Restoration (Trial)*. All operating mines have conducted environmental impact assessments and ecological surveys, and the Company avoids operations in ecologically sensitive areas and ecological red line development areas. No biodiversity damage incidents occurred during the reporting period.

2.5.2 Biodiversity Risk Management

Meijin Energy actively carries out biodiversity risk assessments, fully considering the risks of ecosystem function loss and the potential impacts of the Company's operations on biodiversity, and formulates corresponding countermeasures. At the same time, the Company incorporates biodiversity risks into its environmental risk assessment system, enabling early identification, continuous monitoring, and closed-loop management of major ecological risks, ensuring that economic benefits and ecological protection are balanced during company operations.

Risk Description	Response Measures
Environmental resource degradation and soil erosion may lead to water shortages and pollution, affecting coal mining.	- Protect dependent ecosystems, ensure stable water resources and geological safety, prevent production interruptions or cost increases. - Use reclaimed water.
Operations may cause ecological damage and ecosystem degradation.	- Avoid: Select sites scientifically, avoid ecologically sensitive areas, and reduce environmental disturbance. - Reduce: Strengthen pollution monitoring and treatment to control the impact of operations on the ecological environment. - Restore: Carry out land reclamation and vegetation recovery to enhance ecological functions. - Transform: In the future, balance production and environmental impact through ecological protection and compensation measures.

2.5.3 Land Reclamation and Green Mine Development

The production and operation processes of coal mines inevitably impact land, terrain, and vegetation, potentially causing ecological issues such as soil erosion and soil pollution. Meijin Energy always upholds the philosophy of "ecological priority, green development", building a closed-loop land reclamation model of "mining while reclaiming", fully incorporating land reclamation and ecological restoration into the entire production and operation process. Each subsidiary in the Company's coal segment periodically formulates and continuously updates the *Mine Environmental Restoration and Land Reclamation Implementation Plan*, systematically assessing the ecological damage caused by mine construction and production activities, and clarifying reclamation goals, tasks, measures, and timelines. During the reporting period, the coal segment subsidiaries reclaimed a total area of 71.29 hectares.

The Company continues to deepen the green mine construction. In the coal segment, 4 subsidiaries actively promote environmental management and ecological restoration. Leveraging solid achievements in ecological governance, all have been included in the Shanxi Province green mine list.



2.5.4 Biodiversity Conservation Actions

Meijin Energy actively carries out biodiversity conservation actions. At important milestones such as "World Earth Day", "World Environment Day", and "National Land Day", it organizes ecological protection publicity and education activities to raise employees' awareness of ecological protection. At the same time, protective facilities such as guardrails and protective nets are set up in mining areas to prevent wild animals from falling or straying into operational zones. Through vegetation restoration and ecological rehabilitation measures, a safer and more stable living environment is provided for wild flora and fauna.



Caption: World Environment Day promotional posters



03

COLLABORATING WITH STAKEHOLDERS, DRIVING INNOVATION-LED GROWTH

Meijin Energy builds its foundation on quality, empowers development through innovation, and drives high-quality growth through coordination and mutual benefit. It strengthens full-process product quality control and protects customer trust through lean service and privacy protection; adheres to integrity and innovation, driven by technological advancement, to explore paths for high-quality development; practices the concept of responsible supply chain management, building a robust and resilient supply chain system to ensure the security and stability of the industrial chain.

TOPICS WE FOCUS ON

- Product Safety and Quality
- Supply Chain Security
- Customer Service
- Innovation-Driven Development
- Data Security and Privacy Protection

OUR ACTIONS

- Implement full-process quality control, strengthen quality awareness, and uphold the bottom line of product safety.
- Practice responsible supply chain management to ensure the stability of the industrial chain.
- Establish a full-cycle service system to enhance customer experience.
- Adhere to technology-driven innovation to promote industrial upgrades toward intelligence and green development.
- Build a solid barrier for data security and strictly protect customer privacy



3.1 Safeguarding Quality through Lean Management

3.1.1 Governance

High-quality products are an important reflection of corporate reputation and a foundation for steady development. Meijin Energy has built a systematic quality management system and implements internal systems such as the *Quality Control Management Measures* and the *Quality Standard Management Appraisal Criteria*, continuously iterating and optimizing product quality control levels, and reinforcing the bottom line of product quality.

Oversight Level	Enterprise Management Department	- Formulates Company-wide quality systems. - Comprehensively supervises the formulation and implementation of specific quality management policies in each subsidiary. - Focuses on the implementation of key areas such as quality management system development, product quality control, production process quality management, and product compliance.
	Heads of subsidiaries	- Heads of each subsidiary coordinate the development of the Company's quality management strategic plan. - Organize and review the product quality management system and procedural documents. - Regularly receive reports on quality management status. - Supervise major quality risks and improvement matters, and promote the effective implementation of quality objectives.
	Relevant subsidiary departments	- Relevant departments of each subsidiary are responsible for the organization, coordination, and resource assurance of their unit's quality affairs, breaking down and implementing the product quality targets issued by headquarters, and coordinating the advancement of various quality management tasks. - Equip dedicated quality management departments responsible for specific matters such as quality inspection, data recording, issue rectification, and information reporting.

The Company actively promotes quality management system certification. As of the end of the reporting period, subsidiaries, Huasheng Chemical and Qingdao Meijin passed ISO 9001 Quality Management System certification and annual audits.

3.1.2 Strategy

Meijin Energy continues to strengthen full-chain product quality risk management, establishing a normalized risk identification and response mechanism, promoting the shift of quality risk prevention and control to earlier stages for source control, comprehensively improving the Company's refined quality management level, and preventing various quality hazards.

Risk Type	Risk Description	Response Measures
Raw Material Quality Fluctuation	Variations in raw materials such as coal may affect coke quality, chemical purity and hydrogen quality.	Strict procurement and incoming inspection, supplier management and raw material testing to ensure raw material quality is stable and controllable.
Production Process Control	In the processes of coking, chemical production, and hydrogen production, improper control of process parameters or abnormal equipment operation may lead to fluctuations in product specifications.	Improve the quality control system for the production process, strengthen monitoring of key process parameters and equipment maintenance management to ensure stable operation of the production process.
Product Quality Monitoring	Non-standard inspection or insufficient testing capability may affect accuracy.	Establish a sound product quality inspection and traceability mechanism, strengthen laboratory testing capacity building, and ensure that product quality inspection results are authentic, accurate, and reliable.
Quality Qualification of Hydrogen Fuel-Cell Vehicle	Loss of control over key processes in the hydrogen system, or inconsistency between whole-vehicle parameters and the order and filing requirements, affecting vehicle safety and qualified delivery.	Implement full-process monitoring for key processes in the hydrogen system, carry out special inspections during the process and overall vehicle inspections, and conduct consistency checks before finished products are warehoused; sell only after 100% passing inspection.

■ 3.1.3 Management of Impacts, Risks and Opportunities

3.1.3.1 Full-process Control Development

The Company has established a full-process quality control system from raw material entry to finished product shipment, using pre-event prevention, in-process control and post-event improvement. Meijin Energy effectively ensures continuous and stable product quality, safeguarding brand reputation and customer rights.

Pre-Event Prevention	Systematically carries out quality risk identification and assessment, sorting out and preventing risks in raw material procurement, production processes, and key quality control points.
In-Process Control	By improving production process monitoring, product testing, and quality inspection mechanisms, strengthens real-time monitoring and quality control of key stages, achieving dynamic quality management and instant correction.
Post-Event Improvement	Quality issues are promptly analyzed for root causes and rectified, realizing a closed-loop across the entire process, continuously optimizing production and management procedures to ensure sustained product quality stability.

Subsidiaries in the coal segment implement high-standard quality management, establish coal quality inspection departments, and formulate coal quality acceptance systems and inspection procedures to ensure the long-term stability and reliability of coal product quality.

[Case] Fenxi Taiyue Coal Industry Continuously Optimized the Coal Quality Management System

Fenxi Taiyue Coal Industry established a Coal Quality Management Center covering the entire process from underground production to commercial coal sales. Through separation of sampling, preparation and testing, internal supervision system, it built a full-process sampling, testing, and quality reporting mechanism. Coal quality stability was improved by optimizing mining techniques, strengthening washing and selection control, and regularly calibrating equipment. A quality warning mechanism was also in place. Once abnormal indicators were detected, re-inspection and traceability were immediately triggered, and corrective measures were taken to fully ensure coal quality reliability and effectively safeguard customer interests.

The coke segment consistently adheres to the development direction of high-end, intelligent, green, and integrated production, adopting advanced international top-charging coke oven technology, strengthening quality control of metallurgical coke products, and ensuring stable product quality with excellent performance.

[Case] Guizhou Huayu Establishes a Three-All Quality Control Model

Guizhou Huayu actively promoted the "Three-Fulls" quality management model of "full staff participation, full-process control, and full-process traceability". The model refined quality responsibility down to each position, conducted quality awareness training, and encouraged all employees to participate in quality improvement proposals. It built a whole-process control mechanism covering incoming raw materials, production process, and finished product outbound, forming a closed-loop management system of "prevention before occurrence, control during occurrence, and improvement after occurrence". It achieved full-process traceability of quality.

During the reporting period, Guizhou Huayu exceeded all quality targets: the qualified rate of incoming raw materials was 98.5%, the first-time inspection pass rate of products was 99.8%, and the finished product outbound pass rate was 100%.

In the chemical segment, the Company is committed to improving the refinement level of quality management, establishing a full-process quality control mechanism covering sampling, inspection, sample preservation, and quality supervision, strictly adhering to the product quality baseline and ensuring product performance meets standards.

[Case] Coal Chemical Hydrogen Production Adopted a Bidirectional Quality Monitoring Model to Ensure Product Quality

Coal Chemical Hydrogen Production adopted a dual monitoring model led by real-time online product quality monitoring and supplemented by batch sampling inspections by the quality inspection center, achieving full-process quality supervision of product manufacturing. Through strict quality control, Coal Chemical Hydrogen Production achieved an annual product pass rate of 100%, with the hydrogen purity of core products reaching $\geq 99.99\%$, ensuring stable and excellent product quality.

In the hydrogen segment, the Company continuously strengthens its full-process quality control model in the vehicle manufacturing stage to ensure stable and reliable vehicle production quality.

[Case] Qingdao Meijin Builds a Full-process Production Quality Control System

Qingdao Meijin has established a full-process quality control system covering raw material acceptance, production and manufacturing, and product delivery: during material intake, raw materials and component information were strictly verified and sampled to ensure only qualified items were stored; during production, key process inspections and monitoring were conducted, with process parameters and product status recorded and corrected when needed; before delivery, full vehicle inspections and road tests were carried out to ensure the vehicle's performance and safety meet standards. In addition, all inspection data were synchronized into the ERP system to achieve traceability of quality information and closed-loop problem management. By the end of the reporting period, Qingdao Meijin had obtained ISO 9001 quality management system certification and 8 CCC product certifications, effectively ensuring the stability of quality for new energy vehicles and market access.

3.1.3.2 Quality Training

The Company has established a regular quality management training mechanism, periodically carrying out diversified training covering systems, operating procedures, and risk prevention and control. In addition, targeted layered and categorized training is implemented for employees in different positions, combining theory and practice to enhance employees' quality awareness and operational skills, strengthen overall risk prevention capabilities, and cultivate a quality management corporate culture involving all staff.

[Case] Guizhou Huayu Conducts Training for Key Quality Positions

During the reporting period, the coke segment subsidiary Guizhou Huayu conducted company-wide quality training for key positions. A total of 324 training sessions were held on topics such as quality inspection skills, process quality control, and interpretation of industry standards, covering over 100 employees.



Through the series of trainings, employees' quality awareness significantly improved; the pass rate for quality inspectors' skill assessments increased to 98%, the accuracy rate of inspection data reached 99.9%, the occurrence rate of potential quality risks in the production process decreased by 15%, and the first-time inspection pass rate of products increased by 0.3%, achieving remarkable training transformation results.

[Case] Qingdao Meijin Strengthens Quality Control through Systematic Training

During the reporting period, the hydrogen segment subsidiary Qingdao Meijin conducted **34** quality-related training sessions with a total of **150** participants, covering areas such as enhancing quality risk awareness, improving inspection skills and team collaboration, as well as complaint handling. The training assessment pass rate reached **98.5%**, the inspector skill compliance rate increased to 98%, and the human-caused defective product rate dropped to **0.7%**, effectively strengthening the foundation of vehicle production quality control.

**3.1.4 Metrics and Targets**

Meijin Energy always aims for excellent product quality, achieving simultaneous growth in product value and company reputation through full-process quality control and heightened awareness. During the reporting period, the Company's finished product shipment pass rate reached 100%, no product recalls occurred, and quality management targets were fully achieved.

Meijin Energy Annual Main Product Quality Target and Progress

2025 Target	Progress
- Incoming raw material inspection pass rate $\geq 98\%$ - First Pass Yield $\geq 99.5\%$ - Finished product shipment pass rate 100% - Zero major product and service safety and quality liability incidents.	- Incoming raw material inspection pass rate $\geq 98\%$ - First-time inspection pass rate of products $\geq 99.5\%$ - Finished product ex-factory pass rate 100% - Zero major safety and quality liability incidents related to products and services



3.2 Responsible Value Chain

3.2.1 Supply Chain Security

Meijin Energy attaches great importance to supply chain risk management and has built a mechanism covering risk identification, graded assessment, response, handling and dynamic review. It continuously tracks and monitors upstream and downstream supply chain risk dynamics to anticipate potential supply hazards in advance. In response to risks such as key technology constraints and interruptions in the supply of core raw materials faced by the Company's new energy business, the Company focuses on three core directions: domestic substitution of key materials, alternative supply channels, and inventory assurance. Multiple measures are taken to enhance supply chain resilience and self-control capability, striving to ensure continuous and stable operation across the entire industry chain.

3.2.1.1 Domestic Substitution

In response to the hidden supply chain risks behind the rapid development of the new energy industry, especially those arising from long-term dependence on imports for certain key materials and core technologies—such as supply restrictions, price fluctuations, and technical constraints—the Company has taken proactive measures to improve the self-sufficiency and controllability of the industrial chain, accelerate domestic substitution of critical materials, actively engage in advanced technology research and development, and establish a local raw material supply system to strengthen the foundation of industrial supply chain security.

Meijin Energy Domestic Deployment of New Energy Technologies

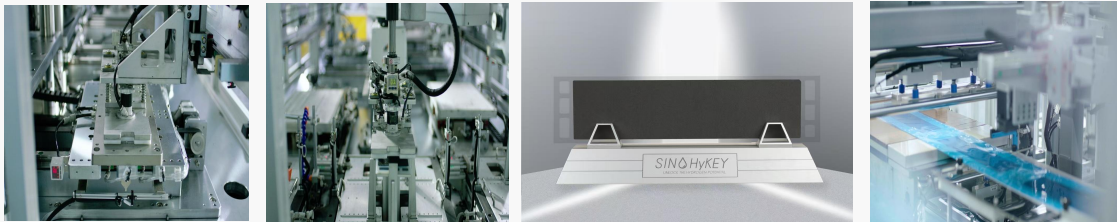
- Zhongke Meijin continues to advance the **1,000-tonne starch-based capacitor carbon industrialization project**, using biomass feedstocks such as corn starch to produce high-performance capacitor carbon, successfully achieving domestic substitution for critical materials. Comparison tests showed that key product indicators were fully aligned with and surpassed international leading levels: specific capacity increased by **12%**, significantly enhancing energy storage density; performance at different rates remained equal, retaining the advantage of second-level fast charging while offering better cycle stability and high-temperature floating charge performance.



- Investee LNnewpower Technology (Beijing) overcame the bottleneck in high-quality large-scale carbon paper production, filling a domestic technology gap. After commissioning, annual capacity will reach **720,000 square meters**, which strongly promotes China's hydrogen energy industry to break free from dependence on imported materials and achieve self-supply of key materials.



- Investee SinoHyKey promotes membrane electrode assembly projects and domestic application of core fuel cell materials, further improving the hydrogen industry chain and enhancing supply chain security and resilience.



3.2.1.2 Alternative Suppliers and Local Procurement

In terms of conventional raw materials and goods procurement, the Company continuously improves the supplier management system, establishes a mechanism for alternative suppliers and a resource pool of qualified suppliers, and effectively reduces the risk of single-source supply through multi-channel allocation and dynamic assessment, ensuring rapid switching of supply channels in unexpected situations. During the reporting period, due to sudden equipment maintenance, a certain supplier was unable to deliver sulfuric acid on schedule. The Company promptly activated the emergency procurement mechanism and urgently allocated materials from suppliers in other provinces to ensure production continuity. Afterwards, the Company comprehensively strengthened its ability to respond to supply interruption risks by optimizing material consumption forecasting, shortening procurement cycles, and expanding the number of qualified suppliers.

At the same time, the Company adheres to the concept of localized collaborative development. Under equal procurement conditions, the Company prioritizes local suppliers, reducing transportation distance, logistics cost, loss and extreme weather risks, while improving supply chain stability and supporting local industrial coordination.

3.2.1.3 Inventory Assurance

The Company has established a safety stock management mechanism for key raw materials, setting the minimum inventory level as the risk baseline to ensure the continuity of the supply chain. Based on factors such as the importance of raw materials, supply stability, seasonal factors, and transportation conditions, the Company dynamically sets minimum inventory standards: no less than five days during the non-snow season and no less than ten days during the snow season. Additionally, carries out winter stockpiling arrangements in advance to raise the inventory guarantee capacity to approximately 15 days of production demand. At the same time, the Company has established an inventory warning and dynamic replenishment mechanism. When inventory levels reach or fall below the minimum inventory standard, the procurement replenishment process is promptly initiated to prevent supply disruptions caused by logistics constraints or market fluctuations.

■ 3.2.2 Responsible Procurement

Meijin Energy builds a standardized, transparent and sustainable supply chain management system. It actively promotes green procurement and sunshine procurement strategies and strives to achieve collaborative and sustainable development with upstream and downstream partners.

The Company has established and improved its responsible procurement system, formulating and implementing internal management measures such as the *Procurement Management Policy (Trial)*, *Supplier Management Measures (Trial)*, *Supplier Performance Evaluation Management Measures (Trial)* and *Bidding Management Measures*. ESG performance, including environmental protection, product quality, labor rights and business ethics, is included in supplier and contractor screening and evaluation. Suppliers with ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System certifications are prioritized.

The Company integrates the green concept into the entire procurement management process. During the supplier review stage, it conducts environmental compliance audits on supplier products, and any products that fail to meet environmental requirements are rejected to ensure that procurement activities align with green development requirements.

The Company fully implements a supplier lifecycle management model, builds a supplier lifecycle management platform, and achieves full-process management covering supplier registration, admission, evaluation, and exit. During the reporting period, the Company established stable cooperative relationships with a total of 3,232 suppliers⁵.

⁵ The scope covers only Tier 1 suppliers directly cooperating with Meijin Energy and excludes suppliers independently contracted by subsidiaries.

Region	North China	Central China	South China	East China	Northeast China	Northwest China	Southwest China	HK/Macao/Taiwan	Overseas
Number	1,751	167	224	636	39	87	313	11	4
Percentage	54.18%	5.17%	6.93%	19.68%	1.21%	2.69%	9.68%	0.34%	0.12%

Supplier Onboarding	The Company follows open, fair and impartial onboarding principles, controls total supplier volume and uses a survival-of-the-fittest mechanism to select qualified, reputable and compliance with the Company's responsible suppliers for its database.
Supplier Assessment	Multiple departments conduct on-site inspections, focusing on workplace management, product quality management and production site environment, implementing comprehensive evaluations of suppliers.
Supplier Performance Evaluation	- Suppliers are evaluated quarterly on price, delivery, quality and service and annually classified as excellent, qualified, improvement required, restricted or unqualified. - Restricted suppliers receive warning emails and rectification requirements; those that fail rectification are removed from the qualified supplier list and excluded from the scope of cooperation.

The Company continuously promotes the standardization and capability improvement of supply chain management. Externally, the Company regularly conducts supplier communication, promotion, and ESG-related capability training on environmental safety and other topics, ensuring suppliers fully understand company requirements and improve management skills. Internally, it trains procurement and related employees on integrity, compliance and information confidentiality - for personnel in procurement and related positions, reinforcing awareness of internal controls to ensure that procurement activities are standardized, safe and efficient.

3.2.3 Equal Treatment of Small and Medium-sized Enterprises

Meijin Energy always upholds equality and integrity, placing great importance on cooperative relationships with small and medium-sized enterprises. Strictly comply with relevant laws and regulations such as the *Civil Code of the People's Republic of China* and the *Law on the Promotion of Small and Medium-sized Enterprises*, ensuring fair treatment of every partner in the cooperation process. To ensure timely payment of contract funds, the Company has established and improved its contract management system, specifying terms on payment timing, amount, and method, so as to guarantee the professionalism and standardization of payment work.

3.2.4 Customer Service

The Company follows a customer-centric service philosophy and is committed to providing customers with stable and reliable products and services. During the reporting period, the Company conscientiously implemented internal systems such as the *Internal Control Manual for Sales Business*, *Sales Management Policy* and *Customer Management Measures*, standardizing sales management and customer service work, continuously improving customer communication and feedback mechanisms, optimizing service experience, and effectively safeguarding customers' legitimate rights and interests.

3.2.4.1 Customer Service Management System Development

Upholding the "customer-centric" service philosophy, the Company has systematically built a customer service management system that covers all business segments. We are committed to gaining deep insights and accurately responding to customer needs through standardized service processes, customized solutions, and a closed-loop feedback mechanism, continuously improving service quality and customer satisfaction, thereby consolidating long-term stable partnerships and laying a solid foundation for the Company's high-quality development.

The coke segment continuously optimizes the management system, specifically building a customer service management system that meets the needs of large steel enterprises, consolidating long-term stable cooperation with core customers.

Service Standards Development	- Focusing on the differentiated needs of steel enterprises, develop customized coal blending plans and quality standards, match blast furnace smelting needs through information sharing, - Establish 24-hour response for loading and unloading services, and ensures transport connection efficiency according to loading and unloading service standards.
Service Quality Monitoring	Build full-process quality control system, establish coal source and coke quality traceability, and feedback mechanisms, and assign personnel to continuously monitor key parameters of coke dry quenching to ensure the quality of coke products.
Customer Satisfaction Surveys	Establishes a special revisit mechanism for key customers, sets up a fast feedback channel for customer needs and opinions, and forms a closed-loop management model of "feedback-analysis-improvement".

In the hydrogen segment, the subsidiary Qingdao Meijin has built a standardized, full-process and intelligent customer service system, forming a customer-centric service loop covering multiple dimensions, including after-sales tracking, maintenance, emergency rescue, and spare parts

support, to comprehensively guarantee the usage requirements throughout the entire lifecycle of vehicles. During the reporting period, Qingdao Meijin actively conducted user satisfaction surveys, visiting a total of 26 customers, with a customer satisfaction rate reaching 95%.

The subsidiary Xiaoshizi Automotive Supply Chain established full-process services before, during and after rental. Before rental, through the three-step process of “Needs Survey—Vehicle Model—Matching, Customized Plan”, customized leasing solutions are provided within 24 hours; during the rental period, a “One Vehicle, One Dedicated Account Manager” system is implemented to provide vehicle delivery, usage guidance, operational coordination, as well as training on hydrogen system operation and emergency equipment usage; in the post-rental stage, a closed-loop management of “Vehicle Return Inspection—Cost Settlement—Satisfaction Follow-Up” is established to continuously improve service quality and customer experience.

3.2.4.2 Closed-loop Handling of Customer Feedback

The Company attaches great importance to the value of customer feedback, viewing it as a driver of service upgrades and product optimization. We are committed to establishing efficient and transparent feedback handling mechanisms across all business segments, ensuring timely feedback, prompt response, effective improvement, and continuously strengthening the foundation of customer trust.

Coke Sales Department continuously improves its after-sales closed-loop processing and root-cause management mechanisms, adhering to the principles of “quick response, timely verification, proper handling, and continuous improvement”. It has established a full-process management system covering “acceptance and registration—verification and investigation—handling and reply—improvement tracking—review and summary”, with clear key nodes and response deadlines to ensure that customer issues are promptly addressed and improved.

Acceptance Registration	Customer feedback is transferred by the sales department to the quality management department within 12 hours.
Verification and Investigation	The quality management department works with relevant departments to complete preliminary verification within 24 hours.
Handling and Response	The sales department communicates and confirms the handling plan with customers within 48 hours.
Improvement Tracking	The quality management department formulates corrective measures and tracks their implementation to ensure issues are closed in a loop.
Review Summary	Monthly root-cause analysis of qualities conducted and improvement reports, and optimize systems and processes.

In the hydrogen segment, subsidiary Qingdao Meijin regards improving after-sales service quality as a long-term core task and has established a continuous improvement mechanism for after-sales service. The Company regularly reviews customer feedback information, systematically analyzes high frequent issues and process bottlenecks, establishes special teams to promote rectification; meanwhile, it closely follows industry technology and service trends, continuously upgrades after-sales service equipment, optimizes processes, and expands service scope to provide customers with more professional and efficient service.



3.3 Innovation for the Future

3.3.1 R&D Innovation

With a core focus on supporting the nation's low-carbon energy transition and fostering the development of new productive forces, Meijin Energy continuously improves its technological innovation system to support China's low-carbon energy transition and cultivate new quality productive forces. It has established a standardized and systematic innovation management framework, improving a comprehensive management mechanism that covers the entire process from R&D planning, project control, results transformation and risk prevention. This ensures the rational allocation of innovation resources, aligns R&D directions with enterprise development and industry transformation needs, and promotes efficient implementation of research work.

The Company strengthens the construction of its R&D team, adhering to a dual strategy of internal cultivation and external recruitment to build a professional, diverse, and youthful innovation talent pool. The Company continues to increase R&D investment across all segments. During the reporting period, R&D investment reached RMB 59.89 million, accounting for 0.33% of total revenue. The coal-coke segment invested RMB 29.75 million in clean coking production, ethylene glycol automation and efficient production technologies, while the hydrogen segment invested RMB 30.14 million in new vehicle products.

During the reporting period, the hydrogen segment's subsidiary Qingdao Meijin carried out R&D activities in areas such as controller fault detection, onboard hydrogen system frame protection and vehicle function testing, obtaining 12 patents; the coke segment subsidiary Tangsteel Meijin participated in a project on micro-electric field-enhanced nanocomposite materials for heavy metal wastewater purification, which received the Hebei Province 2025 Science and Technology Progress Award. By the end of the reporting period, three subsidiaries—Tangsteel Meijin, Qingdao Meijin and Xiaoshizi Automotive Supply Chain obtained high-tech enterprise certification, and Xiaoshizi Automotive Supply Chain obtained provincial innovative SME, earning authoritative recognition for their innovation credentials and R&D capabilities.



Caption: Qingdao Meijin patent certificates

The Company values intellectual property rights (IPR), complies with patent and copyright laws such as *Patent Law of the People's Republic of China* and *Copyright Law of the People's Republic of China* and other relevant laws and regulations, and, in line with the needs of enterprise innovation and development, formulates and implements the *Intellectual Property Management Measures*. It clarifies the main responsibility for intellectual property protection, regularly carries out patent application, patent maintenance and management, infringement investigation and rights protection, and other intellectual property protection work. At the same time, the Company actively participates in the formulation of national and industry standards, continuously strengthening the key role of intellectual property in enhancing corporate competitiveness.

3.3.2 Industry-wide Win-win Cooperation

The Company upholds an open collaboration and mutually beneficial development philosophy, actively participates in various industry forums, product exhibitions, and other exchange activities, engages in in-depth exchanges with industry experts and peers, absorbs cutting-edge technologies and practical experience, and achieves synergy between its own innovative development and the progress of the entire industry, contributing to the low-carbon, efficient, and sustainable development of the energy industry.

[Case] Experience Sharing, Promoting Industry Wisdom Sharing

In July 2025, the Company attended the GCMC (Global Carbon Management Conference) China Carbon Management Forum themed "Breaking Boundaries, Reshaping, New Corporate Momentum" to share carbon management practices and insights during the corporate transformation journey.





In September 2025, the Company attended the 16th FCGF (Foresight China Global Forum), engaging in in-depth discussions on hot topics such as geopolitics, regional cooperation, China's policies and transformation, and technological innovation.

In September 2025, the Company attended the 2025 Taiyuan Energy Low-Carbon Development Forum, jointly exploring with experts and representatives from the hydrogen segment the current status and trends, opportunities and challenges, and frontier technologies and innovative practices of the hydrogen industry.



In addition, the Company has always been committed to transforming practical experience into industry consensus, actively participating in standard drafting work, establishing technical specifications, and leading the high-quality development of the industry. As of the end of the reporting period, the Company had participated in drafting a total of 55 standards, including 2 national standards, 2 local standards, 25 group standards, and 26 enterprise standards.

[Case] Standard Co-Building to Promote High-Quality Industry Growth

In April 2025, the social organization standard Carbon Emission Accounting Method for Industrial By-product Hydrogen (T/SEESA 025-2025), which Meijin Energy participated in preparing, was officially released. It fills an industry accounting gap and provides unified carbon emissions accounting specifications and clean attribute definitions for coke oven gas, chlor-alkali tail gas. It improves the standardization and credibility of industry data, helps enterprises tap into the value of carbon assets, strengthens collaborative emission reduction across the industrial chain, and has profound significance for promoting the green and sustainable development of the hydrogen energy industry.



The Company actively engages in industry cooperation, working with upstream and downstream enterprises along the industrial chain as well as research institutions to conduct joint research and resource sharing in key areas such as technology development and project implementation. This has created a collaborative framework featuring complementary strengths and coordinated efforts,

pooling industry-wide momentum to address development challenges, thereby injecting strong impetus into the construction of an efficiently coordinated industrial ecosystem and the long-term development of the energy industry.

[Case] Cooperation for Coordinated Industry Development



In January 2025, the Company reached strategic cooperation with Beyondsoft Corporation to promote digital transformation and sustainable development in the energy sector.

In March 2025, it signed a strategic cooperation agreement with State Power Investment Corporation Hydrogen Energy Technology Development Co., Ltd to jointly advance the large-scale implementation of hydrogen transportation projects, contributing to the high-quality development of the hydrogen energy industry.



In April 2025, it signed a strategic cooperation agreement with ZTO Express Group to upgrade clean energy transport capacity and build a benchmark for commercial hydrogen applications.

In August 2025, it signed a strategic cooperation agreement with Shanxi Shanshui Cement Co., Ltd. (Shanxi Operating Area) to develop a model integrating green manufacturing and clean energy.





3.4 Protecting Information Security

Meijin Energy establishes a clear and comprehensive information security management organizational structure, forming a three-level linkage system of "Decision, Management, Implementation". The Board supervises information security strategy and major project planning. The Board appoints a senior executive to coordinate information security management, supervise the implementation of management systems, regularly receive reports, and guide risk prevention and control. As the implementing department, the Information Management Department is responsible for implementing systems, technical protection, daily operations and maintenance, emergency response, and employee training to ensure that information security requirements are effectively realized.

The Company formulates and implements procedural documents such as the *Information System Management Regulations*, clarifying the construction, operation, maintenance, and security management processes of information systems, fully ensuring their confidentiality, integrity, and availability, and preventing information security risks. During the reporting period, no major information security or customer privacy leakage incidents occurred.

Meijin Energy Information Security Protection Measures

Technical Protection	• Uses local deployment plus real-time backup to ensure data availability; applies AES-256 encryption to sensitive data storage and transmission. • Deploys intelligent firewalls and Data Loss Prevention (DLP) systems to monitor in real time and proactively intercept cyberattacks, unauthorized intrusions, and data leaks.
Access Control	• Strictly enforces the principle of least privilege, granting graded authorizations based on job responsibilities, and applies dual approval for access to sensitive data. • Establishes an operational log tracing system to achieve full-chain management with prevention beforehand, control during the process, and audit afterward.

The Company has established a standardized information security emergency response mechanism and formulated specialized contingency plans covering scenarios such as virus attacks, data breaches, and system failures. The Company has defined the emergency organizational structure and disposal process. In the event of a security incident, the Information Management Department initiates emergency response immediately, conducts tracing analysis and emergency handling, and simultaneously reports to the management according to hierarchy. Regularly organize emergency drills to verify the operability of the contingency plans and continuously optimize them. After the incident is resolved, trace the root cause from both technical and management perspectives, implement corrective measures, and achieve closed-loop management to comprehensively enhance risk response capability, ensure business continuity, and safeguard data security.

The Company attaches great importance to protecting customer privacy, continuously improving the customer information security management mechanism, and strictly standardizing the processes of collecting, storing, using, and transmitting customer information. By strengthening information system security protection, improving the rights and permissions management mechanism, and conducting employee training on information security and confidentiality, the Company continuously enhances the protection level of customer information, effectively safeguarding customer privacy and information security.

The Company regards employees as the key defensive line for information security and customer privacy protection management, clearly defining information security codes of conduct for all staff, requiring them to strictly comply with data confidentiality regulations and system operation standards, establishing a clear mechanism for reporting information security incidents, and encouraging employees to promptly report any security anomalies or potential risks. In 2025, the Company organized two special information security training sessions centered on key positions, with training content covering the optimization of sensitive data approval processes, explanations of office computer virus cases, and risk and permission management for cloud file sharing, effectively improving employees' risk identification and security awareness.





04

PRIORITIZING PEOPLE-CENTRIC DEVELOPMENT, NURTURING SHARED GROWTH

Meijin Energy adheres to the core strategy of "Talent as the Foundation, Innovation as the Guide", establishing a comprehensive occupational health and safety management system to create a safe and reassuring production environment; implementing a well-structured training mechanism and growth pathways to stimulate employees' intrinsic development drive; and fostering team cohesion and enhancing employees' sense of belonging through sincere care initiatives and rich, diverse cultural and sports activities. Meanwhile, the Company actively integrates into community development, continuously deepening enterprise-local co-construction; responds to the rural revitalization strategy, proactively engages in social welfare, and contributes to building a harmonious and mutually beneficial social ecosystem.

TOPICS WE FOCUS ON

- Occupational Health and Safety
- Employee Management
- Rural Revitalization
- Social Contribution

OUR ACTIONS

- Strengthen the safety protection system to ensure employees' occupational health and safety
- Provide equal employment opportunities, improve talent development mechanisms, maintain open communication and feedback channels, carry out assistance, care visits, and cultural and sports activities, and create a harmonious and inclusive employee atmosphere
- Improved community engagement; supported rural revitalization and social welfare.
- Responding to the rural revitalization strategy, engaging in social welfare, and actively fulfilling corporate social responsibility



4.1 Safeguarding Health and Safety

■ 4.1.1 Governance

Meijin Energy treats work safety as the first essential requirement for stable development. It has established a three-level occupational health and safety governance structure. It complies with the *Work Safety Law of the People's Republic of China*, *The Administrative Regulations on the Work Safety of Construction Projects*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other regulations. It has formulated systems such as the *Occupational Health and Safety Responsibility System* and *Occupational Health and Safety Surveillance Management System* and gradually extends safety standards to contractors, incorporating contractor occupational health and safety management into a unified system, and achieving joint safety governance across the entire industry chain.

Oversight Level	Senior Executive	- The Company's Board of Directors appoints a senior executive to comprehensively supervise the formulation and implementation of policies related to production safety. - Special emphasis is placed on the effectiveness of specific work in key areas such as safety compliance at production sites, hazard identification and remediation, monitoring of major hazard sources, and safety training for employees. - Ensure that the Company's safety production systems meet national regulatory requirements.
Management Level	Production Management Department and Enterprise Management Department	- Coordinate the formulation of the Company's safety production strategic plan. - Responsible for formulating and promoting the implementation of company-wide safety production management systems and operating procedures. - Regularly listen to reports on safety production management. - Supervise major safety accident risks and governance matters, continuously track changes in national and local safety production laws, regulations, and standards, promptly communicate the latest national regulatory requirements, guide practical implementation, and promote the effective achievement of safety production objectives.

Execution Level	Subsidiaries	- Establish a safety production committee or leading group, with the general manager or mine director as the primary person responsible, to comprehensively oversee the organization, coordination, and resource assurance of the unit's safety production affairs, break down and implement the safety production targets assigned by headquarters, and coordinate the advancement of specific safety tasks. - Assign full-time safety management personnel responsible for daily safety inspections, hazard identification and recording, correction of violations, closed-loop rectification, and information reporting.
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The Company actively promotes the certification of its occupational health and safety management system. As of the end of the reporting period, subsidiary Huasheng Chemical passed ISO 45001 Occupational Health and Safety Management System certification and annual audits.

Meijin Energy Occupational Health and Safety Policy

Our Commitment:

- Strictly comply with relevant national and local laws and regulations, and establish and improve the occupational health and safety management system.
- Establish quantitative targets and incorporate them into performance assessments to promote improvements in occupational health and safety management performance levels.
- Conduct OHS risk assessments and hazard inspections on a regular basis to prevent various safety incidents and occupational health risks at the source.
- Improve accident investigation and emergency management mechanisms to prevent the recurrence of similar accidents.
- Require contractors to comply with the same occupational health and safety management standards, achieving coordinated progress in safety management.
- Strengthen safety training and education for all employees to ensure they master safe work skills and emergency response requirements before starting work; provide personal protective equipment to secure safe working conditions.
- Facilitate channels for employee feedback, accept trade union supervision of safety production work, proactively listen to opinions and suggestions from employees and employee representatives, and foster a safety culture of full participation and shared responsibility.

4.1.2 Strategy

Based on the differentiated risk characteristics of various business segments, the Company formulates a specialized health and safety strategy, using systematic construction as the key approach, precise risk control as the core, and intrinsic safety enhancement as the goal. It systematically identifies and comprehensively assesses significant safety and occupational health risks in all stages, formulates targeted prevention and control measures, continuously addresses weaknesses, strengthens weak areas, and steadily improves the overall health and safety management level and intrinsic safety capacity of the Company.

Risk Type	Risk Description	Response Measures
Occupational Health Risks	Employees who are exposed to dust, chemical toxins, and noise over long periods face health risks such as pneumoconiosis, occupational poisoning, and hearing damage if protective measures are insufficient.	Implement full-process health monitoring. Regularly carry out hazard detection in the workplace, strengthening source control and personal protection. Establish occupational health records, implement physical examinations for all employees, and ensure heat prevention and cooling measures.
Work Safety Management Risks	When involving high-risk processes and operations with complex equipment, there is a risk of safety accidents such as fire, explosion, or collapse caused by operational errors or equipment failures, threatening the safety of personnel and assets.	Deepen the dual prevention mechanism. Establish a company-wide responsibility system and use a digital platform to achieve dynamic risk monitoring and a closed-loop for hazard identification and rectification. Implement leadership-led inspections and strengthen measures for human defense, technical defense, and physical defense.
Emergency Response Risks	If contingency plans are poorly targeted or response is delayed in the event of a sudden incident, losses may easily escalate. At the same time, the high turnover rate of contractor personnel, if left unsupervised, can easily trigger associated safety risks.	Build a practical emergency response system. Conduct tiered practical drills to enhance self-rescue and mutual aid capabilities. Establish both full-time and part-time rescue teams to ensure adequate supplies and rapid response.
Contractor Management	Contractor personnel vary in quality, and if admission standards are lax or	Implement full life-cycle management and control. Strictly enforce the access

Risks	onsite supervision is absent, safety accidents may easily occur, impacting the Company's overall operational compliance.	and blacklist system, and include contractors in unified training and assessment. Carry out work pre-briefing and on-site supervision throughout the process to achieve "Unified Management and Unified Standards".
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■ 4.1.3 Impacts, Risks and Opportunities Management

4.1.3.1 Hidden Hazard Inspection

The Company continues to promote the establishment of a dual prevention mechanism for graded safety risk control and hazard inspection and remediation in its subsidiaries. In terms of graded risk control, each subsidiary develops a risk identification, assessment, and graded control mechanism based on its own production characteristics. Risks and hazards are systematically identified, and scientific methods are used to conduct quantitative assessments and classification of risks. Responsibilities for control at each level are clearly defined, and graded control is implemented to ensure risks remain controllable and under control.

In terms of hazard inspection and remediation, each subsidiary establishes a regular inspection mechanism, systematically identifying safety hazards through various methods such as routine inspections, special inspections, and comprehensive inspections, establishing a closed-loop management mechanism to ensure effective implementation and full tracking of corrective measures.

Coal Segment	Subsidiary Jinhui Coal Industry digitized dual prevention management, including risk records, hidden hazard inspection, tracking, overdue alerts and reporting. Each department inputs data via computer terminals, forming a closed-loop, fully digital management system.
Coke Segment	Subsidiary Huasheng Chemical has compiled the <i>Major Hazardous Source Facility Area Safety Risk Classification and Control List</i> and developed the <i>Hazard Investigation Checklist</i> for each position, ensuring that risk control and hazard investigation requirements are implemented at specific posts.
Chemicals Segment	Subsidiary Coal Chemical Hydrogen Production has established a multi-level inspection mechanism to carry out systematic inspections for purification, conversion, electrical and instrument areas.

**Hydrogen
Segment**

- Subsidiary Xiaoshizi Automotive Supply Chain has conducted a special hazard investigation for operational vehicles, achieving 100% full coverage vehicle hazard inspections, focusing on brake hose aging and vehicles over three years old.

4.1.3.2 Emergency Plans and Drills

The Company adheres to the emergency management policy of “Prevention First, Combining Prevention with Emergency Response”, and promotes the establishment of emergency plans and drill systems in its subsidiaries. Each subsidiary, based on the characteristics of its production processes and the results of major hazard source assessments, formulates an annual emergency drill plan, conducting specialized drills for different risk scenarios to ensure that in critical moments people understand, can conduct, and are capable of handling emergencies.

Coal Segment

- Subsidiary Dongyu Coal Industry, based on the *Major Hazard Source Assessment Report* for the Mine, formulated an annual emergency drill plan and conducted practical drills around major risks such as roof accidents, mine water hazards, coal dust explosions, civilian explosive detonations, and fires. A total of 14 emergency drills were organized throughout the year, with 605 participants in total.

Coke Segment

- Subsidiary Guizhou Huayu focused on high-risk stages of coking production, carrying out special emergency drills for incidents such as toxic and hazardous gas leaks, oil fires, electric shocks, and mechanical injuries. A total of 22 various drills were organized throughout the year, covering personnel at all positions on the production site.

**Chemical
Segment**

- Subsidiary Runjin Chemical conducted various emergency drills based on the characteristics of chemical production accidents, organizing 16 on-site handling scenario drills throughout the year, covering confined space accidents, fire accidents, explosion accidents, major hazard source accidents, poisoning and suffocation accidents, and leakage accidents.



Hydrogen Segment

- Subsidiary Xiaoshizi Automotive Supply Chain, targeting the characteristics of the hydrogen energy transportation business, formulated special documents such as the *Emergency Response Plan for Transportation Emergencies*, and carried out emergency drills focusing on typical accident scenarios like vehicle rollover and tire blowouts to ensure that operators in all phases of hydrogen energy work are proficient in key emergency handling skills.



Caption: Dongyu Coal Industry conducts various emergency drills.

4.1.3.3 Contractor Safety Management

The Company incorporates contractor safety into the overall safety management system, implementing full-process control from qualification entry, plant entry training, and work processes to performance evaluation. Each segment's subsidiary, based on its business characteristics, establishes and improves contractor management systems, defines safety responsibility boundaries, introduces safety training requirements into contractor contracts, and strengthens on-site supervision, personnel training, and assessment evaluations to ensure outsourced operation safety risks are under control.

Coal Segment	Subsidiary Dongyu Coal Industry required contractors to sign a Safety Management Responsibility Agreement, clearly stating the bottom-line requirement of "No Work Without Training, No Work if Training Fails". At the same time, led by the mine safety training office in conjunction with the safety department and contractor managers, an inspection team was formed to conduct regular special inspections, organizing a total of 12 special inspections throughout the year to effectively ensure the safety of contractor employees.
Coke Segment	Subsidiary Huasheng Chemical established and implemented a contractor blacklist management system, conducting regular annual safety performance assessments of contractors. In addition, Huasheng Chemical established an intelligent management and control platform covering the entire lifecycle of contractors, including functions such as basic contractor information management, plant entry management, on-site management, and performance evaluation management, thereby realizing full-process digital management of contractors.
Chemical Segment	The subsidiary Runjin Chemical incorporated contractors into the Company's unified safety management system, implementing full-process control from qualification review, safety training, and provision of labor protection supplies, to work approval, on-site supervision, hazard identification, and work acceptance, ensuring that contractor operations are safe and controllable.
Hydrogen Segment	The subsidiary Qingdao Meijin signed the Safety Production Management Agreement between the Construction Unit and the Construction Company with contractors, specifying the safety management responsibilities of both parties and the contractor's safety management objectives. At the same time, contractor training was incorporated into the Company's annual safety production education and training plan to ensure that contractor personnel are familiar with the work environment and the Company's safety regulations.

4.1.3.4 Hazardous Chemical Safety Management

The Company complies with hazardous chemical laws and standards such as *Work Safety Law of the People's Republic of China* and *Regulations on the Safety Management of Hazardous Chemicals*, and other relevant laws and regulations, standardizing safety management throughout the entire life-cycle of hazardous chemicals and strictly preventing safety accidents. Each subsidiary, based on its own production and business realities and the types of hazardous chemicals involved, has established management systems covering storage, usage, transportation, and leak prevention, and has formulated emergency response plans. Strict implementation of personnel training and operational specification requirements is ensured. Operators of hazardous chemicals must undergo safety technical and job operation training, and may only start work upon

passing examinations and obtaining certification. At the same time, specialized training and drills for hazardous chemicals are conducted regularly, and hazardous chemical safety information cards are posted in production areas to ensure that relevant personnel are familiar with chemical hazards and safety procedures, effectively guaranteeing safety and control throughout the entire hazardous chemical management process.

4.1.3.5 Safety Training

The Company builds a safety culture through training, the Safety Production Month and safety warning meetings.

[Case] Dongyu Coal Industry Held a Series of "Safety Consultation Day" Activities

The coal segment subsidiary Dongyu Coal Industry held a series of "Safety Consultation Day" activities, by distributing "Safety Production Promotion Brochures", "Disaster Prevention and Mitigation Promotion Brochures", and conducting safety knowledge quizzes and other activities, to strengthen the awareness of safety responsibility among all employees.



Caption: Dongyu Coal Industry distributes safety publicity manuals

[Case] Fenxi Taiyue Coal Industry Safety Warning Education Meeting

The coal segment subsidiary Fenxi Taiyue Coal Industry organized a company-wide safety warning and education conference, focusing on studying typical transportation accident cases. By watching the accident case videos "Black Three Minutes, Life and Death in an Instant", it conducted an in-depth analysis of accident causes, summarized lessons learned, and guided employees to foster the risk prevention awareness of "Others' Accidents as a Mirror for Oneself".



Caption: Fenxi Taiyue Coal Industry all-employee safety warning education meeting

[Case] Hydrogen Source Technology Hydrogen Refueling Station Training

In response to the high-pressure flammability risk characteristics of hydrogen, the hydrogen segment subsidiary Hydrogen Source Technology conducted specialized training for hydrogen refueling station personnel on refueling operations, safety inspections, and emergency handling. The specialized hydrogen refueling station training content was systematically compiled into the *Hydrogen Refueler Position Safety Operation Manual* and distributed to staff at each station as a practical guide for daily work, ensuring that safety norms are effectively extended from the training classroom to the worksite.

4.1.3.6 Occupational Health Management

The Company is committed to creating a safe and healthy working environment for employees, promoting the establishment and improvement of occupational health management systems in its subsidiaries, defining and implementing management responsibilities, and continuously enhancing the level of occupational health management. Each subsidiary, based on its business characteristics, regularly conducts inspections for occupational health hazard factors, organizes occupational health check-ups for employees, and implements engineering and personal protective measures for prevention and control.

**Coal
Segment**

- Subsidiary Fenxi Taiyue Coal Industry, in line with the characteristics of coal mining operations, systematically built mechanisms for the prevention and control of occupational diseases. In terms of occupational disease hazard monitoring, independent third-party agencies were commissioned to regularly test dust and noise levels at key sites such as underground mining faces and transfer points, with findings promptly made public. In terms of engineering protection, measures such as wet drilling, coal seam water injection, purified water curtain, ventilation dust removal, and equipment silencing were adopted to reduce occupational hazards at the source. In terms of personal protection, dust masks, noise-reducing earplugs, and other protective equipment were provided in full to employees working in positions exposed to hazards. During the reporting period, the compliance rate for the concentration/intensity of occupational hazard factors in workplaces steadily improved, and no new occupational disease cases were reported for the year.

Coke
Segment

- Subsidiary Guizhou Huayu has developed differentiated control measures targeting key occupational hazard factors in the coke production process. For dust control, a closed coal storage facility was built, and water spraying dust suppression devices and vehicle washing facilities were installed at major dust-generating points; for noise control, sound-absorbing treatment was applied to walls; for high-temperature protection, work hours were reasonably adjusted, overtime strictly limited, and salt-containing cooling beverages were provided; for toxic chemical protection, warning signs and cordon lines were set up in relevant areas, and personal protective equipment was provided to prevent direct contact with toxic substances.

[Case] Improving Work Safety through Digitalization

The coal segment closely followed the industry's trends toward intelligent and green development, continuously increasing investment in capital and technology, fully promoting the construction and upgrading of intelligent mines, and improving mine safety production levels and operational efficiency through digital and intelligent technologies. Among them, subsidiary Fenxi Taiyue Coal Industry focused on building intelligent fully mechanized mining faces, optimizing centralized control of the main transportation system, and upgrading safety monitoring systems, steadily advancing various construction and renovation projects; subsidiary Jinhui Coal Industry has completed the laying of an underground 10-gigabit ring network, providing high-speed and stable network support for underground industrial video, safety monitoring, and data transmission; subsidiary Dongyu Coal Industry, through system joint debugging, has achieved remote, digital, real-time monitoring and remote start-stop of large key equipment, strongly promoting unmanned mine management.



[Case] Health Knowledge Lecture

In March 2025, the Company held a Healthy China, Shanxi Action lecture on occupational health risks and prevention. The lecture focused on common occupational health issues, combining knowledge explanations with case sharing to systematically introduce employees to the causes of common health risks in the work environment and key prevention measures, effectively enhancing employees' health management awareness and establishing the occupational health concept of prevention first.



Caption: Healthy China, Shanxi Action lecture site

4.1.4 Metrics and Targets

The Company adheres to the red line of "Life First", incorporating safety performance into core assessment indicators. Through mechanisms such as signing responsibility agreements at all levels and linking monthly assessments to performance, it ensures that safety pressure is transmitted to the primary level. By continuously improving the standardization level of work safety, strengthening all employees' safety awareness and operational skills, the Company is committed to preventing all kinds of safety accidents.

Meijin Energy Annual Occupational Health and Safety Target and Progress

Indicator	2025 Target	Progress
Improve Safety System	Establish safety targets for key production subsidiaries and incorporate them into appraisal.	Formulate the 2025 Subsidiary Organizational Performance Evaluation Implementation Rules, directly linking the achievement of safety targets to the total remuneration, thereby strengthening the constraints of the safety production mechanism.

Accident Control and Risk Prevention	Eliminate minor injuries and above, ensure no major hazards and improve safety standardization.	67 work-related injury incidents occurred, down 46.4% from the previous year. However, two fatal work-related accidents occurred, and the zero-fatality target was not achieved.
Personnel Quality and Compliance	Safety training pass rate, operator and special operation certificates meet national standards.	2,209 health and safety training sessions were conducted; occupational health investment reached RMB 38.4424 million.

The two workplace fatal incidents that occurred during the year revealed shortcomings in the Company's primary-level safety enforcement and on-site risk control. The Company carried out accident investigations and follow-up handling, and urged relevant subsidiaries to implement safety responsibilities, strengthen safety education and training for all employees, enhance capabilities in identifying safety risks and in detecting and mitigating hazards, and firmly uphold the bottom line of safe production.



4.2 Building an Excellent Workplace

■ 4.2.1 Protection of Rights and Interests

Meijin Energy adheres to the core philosophy of "people-oriented", strictly complying with domestic laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*, as well as international standards such as the *International Labor Organization Conventions* and the *Universal Declaration of Human Rights*. It firmly opposes any form of discrimination or unfair treatment, seriously resists forced labor, child labor, workplace discrimination, and harassment, and actively builds a multi-layered and comprehensive human rights protection system.

In 2025, the Company launched a special investigation into labor employment legal risks, identifying 15 risks and issues across institutional systems, social insurance, occupational health, employee management, flexible employment, working hours and leave. It completed the *Special Research Report on Legal Risks in Labor Employment*. At the same time, the Company submits systems involving employee interests to the workers' congress for review, and disseminates new laws and regulations to executives and employees through multiple channels, so as to safeguard employees' legitimate rights and interests through comprehensive compliance management and to solidify the foundation for harmonious labor relations.

Meijin Energy Human Resources Management Policy

Our Commitment:

- Maintain equal employment practices, and do not discriminate against any employee based on gender, education, age, ethnicity, religious belief, or other identity status, enforcing a zero tolerance policy toward workplace discrimination.
- Prohibit any form of human trafficking, forced labor, and child labor employment.
- Strictly forbid any form of harassment, define the reporting procedures and handling mechanisms for related incidents, and promptly investigate and address violations.
- Respect employee freedom of association and collective bargaining rights, and regularly engage in equal dialogue with employee representatives on matters such as working conditions, compensation and benefits, and career development.
- Follow the principle of equal remuneration for man and woman, establish a fair and reasonable compensation system, and provide employees with competitive remuneration.
- Implement statutory paid leave such as annual leave, marriage leave, and maternity leave in accordance with the law, and protect employees' vacation rights.

- Set a minimum notice period prior to large-scale mass terminations or contract termination to ensure a smooth transition in workforce changes.
- Build a layered classification training system and diversified development channels to achieve employees' capability enhancement and value growth.

4.2.2 Employment Management

The Company applies unified recruitment standards and procedures and does not discriminate based on gender, education, age, ethnicity or religion. As of the end of the reporting period, the Company had three female executives, 277 ethnic minority employees, 14 employees with disabilities and 200 veterans.

Meijin Energy Talent Recruitment and Management System	
Experience Inheritance Engine Retiree Re-employment and Mentoring	• Post-retirement reemployment mechanism to attract senior professionals • Mentorship coaching mechanism to empower the growth of young employees
Intelligent Selection System Digital Talent Identification	• Intelligent algorithm to screen highly matched candidates • Eliminate bias factors in traditional recruitment • Objective and data-driven assessment of ability and potential
Global Talent Acquisition Network Multi-Channel Recruitment	• Integrate diverse online and offline channels • Build a comprehensive nationwide talent acquisition network • Customize differentiated talent acquisition strategies; for high-level talent who do not meet full-time recruitment criteria, adopt flexible approaches such as project collaboration and technical consulting





Caption: Guizhou Huayu recruitment activities

4.2.3 Compensation and Benefits

Meijin Energy continuously refines a compensation and benefits mechanism that emphasizes both fairness and incentives, deepens the compensation management philosophy of "Value Creation, Performance Orientation, and Market Benchmarking". Through standardized compensation system design, performance-oriented assessment management, and comprehensive social security and supplementary insurance arrangements, it effectively enhances employees' sense of fulfillment and cohesion, laying a solid foundation for talent development.

The Company upholds the principles of "Decent Work" and the "Living Wage" philosophy, committed to establishing a competitive compensation system to effectively safeguard the well-being of employees and their families. During the reporting period, the Company strictly adhered to compliance standards, striving to provide competitive remuneration to ensure that the actual salary levels of all employees are significantly higher than the statutory benchmark. At the same time, the Company deeply adheres to the principle of fair employment, strictly implements equal pay for men and women, resolutely eliminates gender differences in the compensation system, and builds an inclusive and equitable workplace environment.

Based on a scientific job evaluation system, the Company comprehensively considers multiple factors such as job responsibilities and authority, technical requirements, labor intensity, work environment, value contribution, and human care to form a well-structured and clearly tiered compensation framework.

Meijin Energy Compensation Structure

Fixed Compensation

- Position Salary
- Allowances and Subsidies
- Employee Benefits

Variable Compensation

- Performance Bonuses
- Special Bonuses

The Company uses an evaluation matrix of organizational performance linkage + key performance indicators (KPI) + goal setting (GS) + behavioral performance indicator (BPI) + veto items, and incorporates safety, quality, environmental protection and energy management into performance appraisal.

Organizational Performance Linkage	Based on the characteristics of different assessment targets and assessment cycles, implement differentiated configurations, and establish a mechanism combining organizational performance evaluation with individual performance evaluation to create an effective transmission from company strategy to personal goals.
KPI and GS Dual Drive	By combining organizational Key Performance Indicators (KPIs) with Goal Setting (GS), develop personalized assessment indicators tailored to the characteristics of different positions to ensure a high level of alignment between assessment content and job responsibilities.
BPI Competency Evaluation	- Through standardized Behavioral Performance Indicators (BPI), conduct objective monthly and annual evaluations of employees' professional skills, management ability, teamwork, and other multidimensional qualities to promote the comprehensive development of employees. - Focus on strengthening process management and agile conversations, by means such as regularly communication, performance reviews, and dynamic goal adjustments, to drive employees to optimize work methods and development paths in a timely manner, continually improving both employee and organizational overall performance.
Veto Item Mechanism	Establish rigid assessment standards for key indicators such as compliance management and safe production, implementing a "One-Vote Veto" mechanism to ensure the legitimacy and compliance of corporate operations.

The Company adheres to the philosophy of "People-Oriented, Co-Creation, and Sharing", focusing on employees' diverse needs and continually improving the welfare benefits system.

Meijin Energy Welfare Benefits Framework

Statutory Benefits and Attendance	• Pay social security insurance for employees in accordance with the law. • Fully implement statutory leave entitlements such as paid annual leave, marriage leave, maternity leave, paternity leave, bereavement leave, and sick leave, to truly ensure a balance between employees' work and personal lives. • Strictly enforce the eight-hour work system. Non-frontline production staff enjoy weekends off; labor exceeding statutory working hours shall be compensated with overtime pay or time off in accordance with regulations. Frontline production staff may choose flexible leave arrangements based on personal circumstances, including whether to take consolidated time off. • In cases of special weather conditions or force majeure events, the Company supports working-from-home arrangements for employees, ensuring smooth business operations while safeguarding employees' health.
Inclusive Benefits	• Regular benefits are provided to all employees, including holiday benefits, birthday benefits, health check-ups, meal subsidies, and post-departure benefits. • Provide free annual health check-ups for all current employees, pay medical insurance contributions for employees with serious illnesses, equip with fully functional and diversified fitness activity spaces, and continuously improve employees' health protection levels.
Position-Based Benefits	• Set differentiated benefits according to work nature and needs, such as transportation subsidies, travel allowances, and subsistence allowances.
Other Benefits	• Include flexible benefits, long-term employee benefits, and instant incentives in diversified incentive approaches.
Special Benefits	• Establish female worker allowances for women in production positions, offering comprehensive care for the rights of female employees.

■ 4.2.4 Talent Development

Meijin Energy attaches great importance to talent cultivation, continuously improving the career development mechanism and training system to support talent growth. The Company follows the three principles of "Comprehensive Evaluation, Standardized Procedures, Fairness and Impartiality" to establish a clear hierarchical and reasonably structured career development

system. It defines the qualifications, scope of responsibilities, and competency requirements for each position, and sets up parallel career paths for management and professional sequences, encouraging employees to develop their professional skills and management abilities simultaneously.

Three Principles of Meijin Energy Promotion Management	
Comprehensive Evaluation	Evaluate performance and capability to select versatile talent.
Standardized Procedures	Ensure clear selection processes, promotion channels and promotion methods.
Fairness and Impartiality	Ensure transparent evaluation and timely disclosure of results.

In terms of employee capability development, the Company adopts a combination of online and offline approaches to build a systematic training system, continuously enhancing employees' job competence and promoting the organic integration of personal career development with corporate value creation. During the reporting period, the Company organized **3,537** training activities, with total training hours exceeding **200,000**, covering **6,152** employees at a coverage rate of **79.25%**, and invested RMB **3.5864** million.

New Employee Training	The onboarding training for new employees is systematically carried out, focusing on corporate culture, rules and regulations, business processes, and professional conduct, helping employees gain a comprehensive understanding of company operations and job requirements.
Mentoring	The "mentor-guidance" development mechanism is continuously promoted, with experienced business backbones or retired rehired senior employees serving as mentors, providing business guidance and experience sharing to new employees through one-on-one or one-to-many methods.
Leadership Training	Leadership training is conducted for managers, focusing on strategic thinking, team management, and decision-making skills, to systematically enhance the comprehensive management abilities of managers.
Skills Training	Multi-level skills training is carried out according to the needs of different positions, covering professional knowledge, operating standards, and the application of emerging technologies such as digital intelligence, continuously improving employees' professional competence and business proficiency.

■ 4.2.5 Communication and Participation

Meijin Energy values employee communication and participation, fully leveraging the role of trade unions, workers' congresses, and other bodies as a bridge in safeguarding employee rights and providing feedback. Through regular exchanges and communication, it addresses employee concerns and promotes openness, fairness, and transparency in management decision-making.

The Company strictly complies with the *Trade Union Law of the People's Republic of China*, the *Provisions on Collective Contracts*, and other laws and regulations. It lawfully establishes trade union organizations at all levels, ensures smooth online and offline channels for communication and feedback, and fully safeguards employees' freedom of association and collective bargaining rights. Employees may voluntarily join trade unions, participate in collective bargaining and democratic management in accordance with the law, and express their demands through standardized labor-management communication mechanisms to safeguard their legitimate rights and interests. By the end of 2025, a total of 5,771 employees had joined the trade union, with no employee strikes occurred.

The Company continues to improve the democratic management mechanism for employees, establishing and standardizing the operation of the employees' representative congress system, and regularly organizing employees' representative congress meetings. Engage in thorough communication and consultation with employee representatives on matters such as working conditions, labor protection, compensation and benefits, career development, and occupational health and safety, continuously enhancing employee participation in corporate governance and decision-making.

[Case] Employee Representative Election

During the reporting period, in order to deepen the democratic communication mechanism and safeguard employees' legitimate rights and interests, the Company, in accordance with relevant laws, regulations, and the Articles of Association, strictly adhered to the principles of democracy, fairness, and impartiality, and successfully completed the election of employee representatives. The election was conducted through standardized procedures such as democratic nominations in each electoral district and anonymous competitive voting, followed by rigorous review, ultimately resulting in the election of 40 employee representatives. The composition of the representatives fully reflected broad coverage and representativeness, with frontline employees accounting for no less than 50%, female employees for no less than 50%, and mid-level and above managers for no more than 20%, thereby effectively building a smooth communication bridge between different levels and consolidating the foundation of the Company's democratic governance.

4.2.6 Employee Care

Meijin Energy continuously improves employee care through assistance, visits, health activities and cultural and sports activities.

Employee Assistance and Visits

- Provides medical assistance, green medical channels, charitable donations and union mutual aid for seriously ill employees.
- Organizes hospital visits, support for employees with family difficulties, holiday visits and birthday activities.



Caption: Guizhou Huayu employee birthday activities

Health Care

- Holds health lectures and wellness activities for front-line employees.

Caption: Tangsteel Meijin Frontline Employees participated in wellness activities in Beidaihe.



Cultural and Sports Activities

- Organizes basketball, badminton, knowledge competitions and other activities.

Caption: Meijin Energy held badminton matches



[Case] International Women's Day Activity

On the occasion of the 2025 "March 8th International Women's Day", Meijin Energy organized a themed event "Enjoy Health, Bloom Her Beauty" focusing on the physical and mental well-being of female employees. The event combined a TCM moxibustion science lecture with a hands-on experience of making mugwort massage hammers, helping employees learn health and wellness knowledge and relieve work stress.



Caption: Meijin Energy International Women's Day activity; badminton competition; Tangsteel Meijin Beidaihe wellness activity for front-line employees.

[Case] Guizhou Huayu Mid-Autumn and National Day Garden Party

In September 2025, Guizhou Huayu held a garden party themed "Welcoming the Double Festivals in Reunion, Building the Corporate Dream Together." Activities included basketball, badminton, Chinese chess, lantern riddles, charades and safety knowledge competitions. Employees collected points and exchanged them for gifts, enriching holiday life and improving cohesion.



Caption: Guizhou Huayu Mid-Autumn Festival and National Day Garden Fair Themed "Celebrating the Double Festivals Together, Building the Corporate Dream"



4.3 Empowering People's Well-Being

■ 4.3.1 Coordinated Development

Establishing harmonious and amicable relations between enterprises and local communities is a necessary measure to ensure normal production and operation. Meijin Energy attaches great importance to community management and communication, continuously improving community engagement and communication mechanisms, strengthening interaction and exchanges with communities and governments in business locations and other stakeholders, actively responding to community concerns, and striving to build mutually trusting, mutually beneficial, and coordinated enterprise-community relations.

4.3.1.1 Community Engagement

Based on the current situation of the community, the Company formulates a community engagement plan, engaging in communication and cooperation with stakeholders including local governments, social organizations, and community residents on matters such as land use, employment recruitment, infrastructure construction, and charity or public welfare initiatives. Through the community engagement program, the Company effectively reduces the impact of production activities on the local community, promotes local employment and livelihood improvement, enhances community engagement perception and sense of identity, and drives joint development between the enterprise and the community.

4.3.1.2 Community Communication

Adhering to the philosophy of "Co-Construction and Sharing, Harmonious Coexistence", the Company actively engages in communication with communities where it operates, promoting the establishment of mutually trusting and beneficial community relationships.

During the planning stage before project initiation, the Company launches a comprehensive social impact assessment process, conducting integrated evaluations including environmental and social impacts. Through field research and thorough communication with the community, potential risks are identified, especially in regard to key topics such as land use, resident relocation, and cultural heritage protection. Following the Principles of "Free, Prior and Informed Consent (FPIC)", scientific and reasonable countermeasures are developed to ensure the entire project development process complies with local government regulations, avoiding negative impacts on the lives of local residents and on cultural heritage.

The Company maintains grievance and reporting channels, visits surrounding communities, organizes resident representative meetings and incorporates community demands into management and decision-making. For disputes, it communicates under the participation and supervision of local governments, village organizations and stakeholders, and will promptly report

on the progress and results of handling, thus continuously maintaining good relations between the enterprise and the community.

4.3.1.3 Mine Closure Preparation and Planning

During the reporting period, the Company had no mines engaged in mine closure work. The Company is actively carrying out mine closure preparation work. In the future, the Company will continuously update and improve mine closure plans throughout all stages of the mine lifecycle. In terms of environmental impact mitigation, the Company will allocate special funds annually for land reclamation and environmental restoration work, carrying out reclamation on land that has been retired from use and on land after mine closure, to ensure the quality of the ecological environment after mine closure. In terms of social impact mitigation, the Company will strengthen community communication, actively engage in multi-party dialogue, and minimize the impact of mine closure on the local community to the greatest extent possible.

4.3.1.4 Security Management

The Company has established a comprehensive security management system and emergency response procedures to ensure security work is carried out efficiently and in an orderly manner. Regular security skill training and emergency drills are conducted to strengthen the ability of security personnel to respond to emergencies, while maintaining communication and coordination with community and public relations departments to ensure the safety of corporate production operations and the stability of the surrounding environment.

[Case] Dongyu Coal Industry Anti-terrorism Drill for Civil Explosives Warehouse

During the reporting period, the coal segment subsidiary Dongyu Coal Industry jointly with local public security authorities conducted an anti-terrorism emergency drill for the civil explosives warehouse, simulating sudden incidents such as theft or arson of mining explosives. At the same time, police officers provided hands-on guidance to security personnel on the use of anti-riot equipment. This drill not only tested the emergency response capabilities of the security team, but also further strengthened the collaborative combat capability between the police and the enterprise, providing practical support for the management and safety supervision of mining civil explosives.



Caption: Dongyu Coal Industry Jointly Conducted Anti-Terrorism Emergency Drill for Civil Explosives Warehouse with Local Public Security Authorities.

4.3.1.5 Promoting Local Employment

The Company is committed to promoting community prosperity and local economic development. In terms of job creation, the Company's coal segment subsidiaries indirectly drive the development of surrounding industries through mine operations, such as vehicle maintenance, catering services, and product supply, providing a large number of job opportunities for local residents. Regarding local hiring, the Company prioritizes supporting local employment, actively recruiting local labor to promote regional employment stability and shared development. As of the end of the reporting period, the Company's local employment rate reached 73.40%, with five employees in senior management positions, accounting for 45.45%.

4.3.1.6 Supporting Rural Revitalization

The Company actively responds to the national rural revitalization strategy, based on its own development reality, continuously participates in rural construction, promotes rural economic development, ecological improvement, and cultural revitalization, and contributes to achieving common prosperity. During the reporting period, the Company supports rural revitalization around villages in Qingxu County of Taiyuan, Jiaocheng County of Luliang and Qinyuan County of Changzhi, promoting economic development, ecology and culture.

Industrial Assistance	Meijin Energy participated in the Federation of Industry and Commerce's "Ten Thousand Enterprises Help Ten Thousand Villages" activity in the Jinzhong area, signing a village-enterprise pairing assistance framework agreement with Xiaobei Village in Qingxu County, Shanxi, to establish a long-term and stable assistance mechanism focusing on agricultural industry development. Through targeted procurement of agricultural products from the village, support for building vegetable greenhouses, development of distinctive rural guesthouses, and creation of a "planting + picking + leisure" rural industry model, the Company has enhanced rural economic vitality and promoted the long-term development of rural industries.
Ecological Assistance	The coal segment subsidiary Dongyu Coal Industry supported road repair projects in Yanzhuang Village and Luochiqu Village, Qingxu County, Shanxi. Improve village transportation infrastructure to enhance travel convenience and safety for villagers.
Cultural Assistance	The coal segment subsidiary Dongyu Coal Industry assisted Dongyu Village in Qingxu County, Shanxi in holding the "Shehuo Performances for Festive Celebrations" and temple renovation work, helping to preserve traditional folk culture and promote rural cultural development.

4.3.2 Social Contribution

Meijin Energy adheres to the philosophy of "Taking from Society, Giving back to Society", continuously promoting public welfare and volunteer services, actively responding to social concerns, fulfilling corporate social responsibility and contributing to the enhancement of social well-being. In 2025, the Company invested RMB 7.5732 million to support public welfare and charity projects.



Livelihood Support

Donated to the county charity association to support clean winter heating.

Educational Support

Actively carry out the "Golden Autumn Student Aid" program, providing educational funding support for children of employees in need.

Safety Support

Organized forest fire prevention publicity, with 160 forest fire prevention personnel participating.



Sustainability Performance Tables

Economic Performance Table

Key Performance Indicator	Unit	2025
Asset size	RMB 10,000	4,218,542.35
Operating revenue	RMB 10,000	1,796,925.87
Total profit	RMB 10,000	-140,993.03
Total tax paid	RMB 10,000	121,625.42
R&D investment	RMB 10,000	5,989.25
Public welfare and charitable investment	RMB 10,000	757.32
Environmental protection investment	RMB 10,000	34,115.47
Occupational health investment	RMB 10,000	3,844.24

Environmental Performance Table

Key Performance Indicator	Unit	2025
1. Energy Consumption		
Comprehensive energy consumption	10,000 tonnes of standard coal	134.33
Energy consumption intensity	tonnes of standard coal /revenue in RMB 10,000	0.75
Direct energy consumption	10,000 tonnes of standard coal	108.45
Of which: Gasoline	10,000 liters	33.42
Diesel	10,000 liters	68.18
Natural gas	10,000 cubic meters	257.68
Bituminous coal	kg	58.00
Coke oven gas	10 million cubic meters	189.04
Indirect energy consumption	10,000 tonnes of standard coal	25.88
Of which: Purchased electricity	GWh	1,874.76
Purchased heat	TJ	832.19
2. Greenhouse Gas Emissions		
Total GHG emissions, Scope 1 and Scope 2	10,000 tonnes CO ₂ e	536.09
GHG emissions intensity	tonnes CO ₂ e /revenue in RMB 10,000	2.98

Scope 1 GHG emissions	10,000 tonnes CO ₂ e	427.46
Scope 2 GHG emissions	10,000 tonnes CO ₂ e	108.63
Total Scope 3 GHG emissions, Categories 4, 7 and 9	10,000 tonnes CO ₂ e	11.44

3. Water Resource Utilization

Total water withdrawal	10,000 cubic meters	1,002.01
Of which: Municipal water withdrawal	10,000 cubic meters	47.17
Surface water (lake water, river water)	10,000 cubic meters	713.04
Groundwater (mine inflow water and underground water)	10,000 cubic meters	241.80
Water discharge	10,000 cubic meters	64.25
Total water consumption	10,000 cubic meters	937.77
Water consumption intensity	cubic meters / revenue in RMB 10,000	5.22
Total wastewater generated	10,000 tonnes	635.99
Total chemical oxygen demand (COD) emissions	tonnes	748.21
Total ammonia nitrogen emissions	tonnes	146.24
Total nitrogen emissions	tonnes	209.14
Total phosphorus emissions	tonnes	19.71
Wastewater reused	10,000 tonnes	482.39
Wastewater reuse rate	/	75.85%

4. Waste Gas Emissions

Sulfur oxides	tonnes	610.36
Nitrogen oxides	tonnes	677.49
PM emissions	tonnes	232.30
Volatile organic compounds	tonnes	67.51

5. Waste

5.1. Non-hazardous Waste

Total non-hazardous waste generated	10,000 tonnes	134.88
Non-hazardous waste generation intensity	tonnes / revenue in RMB 10,000	0.75
Total non-hazardous waste recycled and reused	10,000 tonnes	133.92
Of which: Coal gangue reused	10,000 tonnes	118.48
Coal slime reused	10,000 tonnes	0.0012
Dust removal ash used for secondary coking	10,000 tonnes	11.41

Other non-hazardous waste resource utilization	10,000 tonnes	4.03
Total non-hazardous waste disposed	10,000 tonnes	0.96
5.2 Hazardous Waste		
Total hazardous waste generated	10,000 tonnes	5.66
Hazardous waste generation intensity	tonnes / RMB 10,000 revenue	0.03
Total hazardous waste recycled and reused	10,000 tonnes	5.57
Total hazardous waste disposed	10,000 tonnes	0.087
6. Land Reclamation		
Annual land reclamation area	hectares	71.29

Environmental Performance Notes:

- The calculation of energy consumption refers to the national standard of the People's Republic of China *GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption*. The collection and calculation of greenhouse gas emissions mainly refer to the guidelines issued by the National Development and Reform Commission of the People's Republic of China, including the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Chemical Production Enterprises in China (Trial)*, the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Independent Coking Enterprises in China (Trial)*, the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Coal Production Enterprises in China (Trial)*, the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Enterprises in Other Industrial Sectors in China (Trial)*, and the *Greenhouse Gas Accounting System: Corporate Accounting and Reporting Standard (GHG Protocol)*.
- The environmental data density is calculated by dividing the total data volume for 2025 by the Company's total annual operating revenue. In the calculation of greenhouse gas emission intensity, since the emission intensity per unit of output mainly evaluates the carbon emission level of the enterprise's own production and operation, only direct emissions (Scope 1) and indirect emissions (Scope 2) are calculated here.
- Coal gangue is reused through internal backfilling and third-party brick-making.
- The coal slime reuse method involves handing over to a third party for recycling and resource utilization.
- Other non-hazardous waste resource utilization includes dust removal ash, desulfurization ash and scrap metal.
- Non-hazardous waste treated by incineration with energy recovery was 5,400 tonnes, and waste treated by unknown methods was 4,200 tonnes.
- The sum of hazardous waste disposal and recycling volumes does not equal the amount generated, mainly because some subsidiaries' disposal volumes include stockpiles from previous years, and part of the hazardous waste is temporarily stored in disposal areas and has not yet been processed.
- Hazardous waste includes waste mineral oil (engine oil, lubricating oil, etc.), waste oil drums, catalysts, acid tar, tar residue, desulfurization waste liquid, and regenerated residues from (tar) wash oil, among others.
- Hazardous waste recycling methods include: (1) Secondary coking of tar residue, acid tar, filter press impurities, and waste activated carbon; (2) Recycling of desulfurization waste liquid, ammonia stripping residues, adsorbents, and regenerated residues from (tar) wash oil; (3) Salt extraction from desulfurization waste liquid; (4) Resource utilization by third parties through recovery of waste mineral oil, waste oil drums, etc.

- For hazardous waste disposal, the quantity of hazardous waste incinerated without energy recovery is 590 tonnes, and the quantity of hazardous waste with unknown disposal methods is 270 tonnes.



Social Performance Table

Key Performance Indicator	Unit	2025
1. Employees		
1.1 Employee Employment		
Total employees	persons	7,763
Of which: Male employees	persons	6,264
Female employees	persons	1,499
Of which: Employees aged 35 and below	persons	3,199
Employees aged 36-50	persons	2,939
Number of employees aged 51 and above	persons	1,625
Of which: Long-term contract employees	persons	7,652
Non-long-term contract employees	persons	111
Of which: Senior management employees	persons	11
Of which: Female senior management employees	persons	3
Male senior management employees	persons	8
Middle management employees	persons	161
Of which: Female middle management employees	persons	8
Male middle management employees	persons	153
General employees	persons	7,591
Of which: Female general employees	persons	1,484
Male general employees	persons	6,107
Of which: Domestic employees	persons	7,763
Overseas employees	persons	0
Of which: Employees with disabilities	persons	14
Of which: Ethnic minority employees	persons	277
Of which: Veteran employees	persons	200
Local employees	persons	5,698
Local employment rate	/	73.40%
Local senior executives	persons	5
Internally promoted employees	persons	1,185
1.2. New Employees		
New employees during the year	persons	1,703

Of which: New female employees	persons	327
New male employees	persons	1,376
Of which: New employees aged 35 and below	persons	849
New employees aged 36-50	persons	606
New employees aged 51 and above	persons	248
New employees with disabilities	persons	0
New ethnic minority employees	persons	70
New veteran employees	persons	33
1.3. Professional Composition		
Share of female employees in STEM-related positions	/	15.63%
Share of female employees in sales positions	/	45.14%
1.4. Basic Rights and Interests		
Labor dispute incidents	cases	18
Social insurance coverage rate	/	100%
Labor contract coverage rate	/	100%
Employees who joined trade unions	persons	5,771
Female employees due to return from maternity leave	persons	44
Return-to-work rate of female employees after maternity leave	/	100%
Male employees who took paternity leave	persons	11
1.5. Employee Turnover		
Turnover rate	/	31.27%
Of which: Male employee turnover rate	/	27.18%
Female employee turnover rate	/	4.09%
Of which: Turnover rate of employees aged 35 and below	/	9.53%
Turnover rate of employees aged 36-50	/	10.83%
Turnover rate of employees aged 51 and above	/	10.91%
Voluntary turnover rate	/	29.45%
1.6. Employee Training		
Employee vocational training investment	RMB 10,000	358.65
Total training sessions	sessions	3,537
Total training hours	10,000 hours	21.23
Of which: Total training hours for male employees	10,000 hours	18.90
Total training hours for female employees	10,000 hours	2.33
Of which: Total training hours for management employees	10,000 hours	0.53

Total training hours for general employees	10,000 hours	20.70
Employees covered by training	persons	6,152
Training coverage rate	/	79.25%
Average training hours per employee	hours	27.35
Total training attendances	10,000 person-times	13.44
Of which: Male employee training attendances	10,000 person-times	11.48
Female employee training attendances	10,000 person-times	1.96
Of which: Management employee training attendances	10,000 person-times	0.43
General employee training attendances	10,000 person-times	13.01
1.7. Employee Occupational Health and Safety		
Occupational health examination coverage rate for relevant positions	/	100%
Occupational health and safety training sessions	sessions	2,204
Total occupational health and safety training hours	10,000 hours	16.62
Employees covered by occupational health and safety training	persons	6,077
Occupational health and safety training coverage rate	/	78.28%
Occupational health and safety training attendances	10,000 person-times	9.79
Of which: Management employee training attendances	10,000 person-times	0.29
General employee training attendances	10,000 person-times	9.50
Work injury insurance payments	RMB 10,000	1,584.96
Employee work injury insurance coverage rate	/	100%
Work safety liability insurance coverage rate for relevant positions	/	100%
Fatal work-related accidents	cases	2
Work-related fatalities	persons	2
Of which: Direct employee fatalities	persons	2
Contractor employee fatalities	persons	0
Work-related injury incidents	cases	67
Lost-time injuries (LTI)	cases	58
Lost-time injury frequency rate (LTIFR) per million working hours	/	3.76
Fatality rate per million working hours	/	0.13
Lost workdays due to work-related injuries	days	3,459
2. Scientific Research and Innovation		

R&D personnel	persons	42
Proportion of R&D personnel	/	0.54%
Valid patents	items	182
Of which: Invention patents	items	33
Utility model patents	items	132
Design patents	items	17
New patents	items	21
Of which: New invention patents	items	3
New utility model patents	items	15
New design patents	items	3
3. Product Responsibility		
Customer complaint incidents	cases	0
Products recalled due to safety or quality issues	tonnes	0
Percentage of products recalled due to safety or quality issues	/	0
Major safety and quality liability incidents related to products and services during the year	cases	0
Amount involved in damage from major safety and quality liability incidents related to products and services during the year	RMB 10,000	0
Total customers affected by major product quality liability incidents	customers	0
4. Data Security and Customer Privacy Protection		
Customer privacy leakage incidents during the year	cases	0
Amount involved in customer privacy leakage incidents during the year	RMB 10,000	0
Total customers affected by privacy leakage incidents	customers	0
Data security incidents during the year	cases	0
Amount involved in data security incidents during the year	RMB 10,000	0
Total customers or employees affected by data security incidents	persons	0
Total customer privacy protection training hours	hours	44
Customer privacy protection training sessions	sessions	62

Employees participating in customer privacy protection training	persons	121
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Social Performance Notes:

- Work-related injury incidents include lost-time injuries and work injury incidents as defined under the *Regulations on Work-related Injury Insurance*.
- Lost-time injuries refer to occupational health and safety injuries or occupational diseases causing absence of more than one working day.
- LTIFR is calculated as lost-time injuries divided by total working hours, multiplied by 1,000,000.
- Fatality rate per million working hours is calculated as work-related fatalities divided by total working hours, multiplied by 1,000,000.



Sustainability-related Governance Performance Table

Key Performance Indicator	Unit	2025
1. Investor Communication		
Online responses to investor inquiries	items	161
Investor calls answered	times	> 1,500
2. Anti-Corruption Training		
Total anti-corruption training hours	hours	529
Anti-corruption training sessions	sessions	21
3. Anti-unfair competition		
Incidents of litigation or major administrative penalties caused by unfair competition conduct	cases	0
Amount involved in such litigation or major administrative penalties	RMB 10,000	0



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