博汇纸业
BOHUI PAPER



SHANDONG BOHUI PAPER INDUSTRY CO.,LTD.

Environmental, Social, and Governance (ESG) Report

2024

About this Report

This report is the fourth Environmental, Social and Governance (ESG) Report issued by Shandong Bohui Paper Industry Co., Ltd. (hereafter referred as "Bohui Paper" or "the Company"). The report discloses Bohui Paper's management practices and performance in key ESG fields in 2024. The report was reviewed and approved at the 11th session of the fifth meeting of the Board of Directors held on April 28, 2025.

Reporting Boundary and Scope

Reporting period: January 1, 2024 to December 31, 2024.

Reporting cycle: This report is an annual report.

Reporting scope: Unless otherwise specified, the scope of this report is consistent with the scope of the Company's annual consolidated financial statements. The management practices, cases, and data in the report come from Shandong Bohui Paper Industry Co., Ltd. and its subsidiaries. All monetary figures shown in this report are expressed in RMB (yuan). In case of any inconsistency with the annual report, the annual report shall prevail.

Reporting Standards

This report is mainly prepared in accordance with the *Guideline for the Self-Regulatory Supervision of Listed Companies of Shanghai Stock Exchange (SSE) No.14 – Sustainability Report(Trial),* the *GRI Standards (2021 Version)* released by Global Sustainability Standards Board (GSSB), the Pulp & Paper Products Standard issued by the Sustainability Accounting Standards Board (SASB), and the recommendations framework of the Task Force on Climate-related Financial Disclosures (TCFD) of the G20 Financial Stability Board for disclosure.

Definitions

Bohui Paper	Refers to	Shandong Bohui Paper Industry Co., Ltd., which has five majority-owned subsidiaries - Zibo Dahua Paper Co., Ltd., Jiangsu Bohui Paper Industry Co., Ltd., Bofeng Group Holdings (HK) Limited, Zibo Huahui Paper Co., Ltd., and Jiangsu Huahui Paper Trading Co., Ltd.
Shandong Base of Bohui Paper	Refers to	Shandong Bohui Paper Industry Co., Ltd., Zibo Dahua Paper Co., Ltd., and Zibo Huahui Paper Co., Ltd.
Jiangsu Base of Bohui Paper	Refers to	Jiangsu Bohui Paper Industry Co., Ltd. and Jiangsu Huahui Paper Trading Co., Ltd.

Release Form of the Report

The report is released in both Chinese and English. The English version is translated from the Chinese version. Should there be any inconsistencies between the two versions, the Chinese version shall prevail. This report is released in online version, which can be read and downloaded from the website of Bohui Paper (http://www.bohui.net).

Contact Information

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Message from Chairman



Chairman of Shandong Bohui Paper Industrial Co., Ltd.

Lin Xinyang



The year 2024 is a crucial year for China to fully deepen ESG practices and accelerate the green and low-carbon transformation of the nation. It is also a breakthrough year for Bohui Paper to pursue high-quality development and fulfill our sustainable development commitments. In the face of the dual challenges of global economic adjustment and the green upgrade of the paper industry, we embraced changes with strong strategic determination and relied on innovation for solutions, making a series of breakthroughs in improving governance structure, deepening dual carbon practices, empowering employee growth, and cultivating a responsible ecosystem, striving to establish a robust and sustainable corporate development model for the Company.

Strengthen governance capabilities and enhance overall effectiveness. The Company always regards a robust governance system, effective Board of Directors, and stringent compliance management as an important foundation for corporate development. We have established and continuously optimized an ESG governance system centered on the Strategy and ESG Committee of the Board of Directors, ensuring that ESG concepts are deeply integrated into our corporate decision-making and operations. The Company has intensified the training for board members, supervisors and senior management staff, and strengthened the independence of Board of Directors to ensure objective decision-making and allow independent directors to fully leverage their expertise. The effectiveness of the "three lines of defense" internal control system has been further enhanced, achieving full process management of risk early warning, process control, and outcome optimization, effectively enhancing the Company's systemic risk prevention capabilities. We place great importance on building a strong integrity management system, focusing on the core values of "self-discipline, honesty, and integrity", and continuously strengthening anti-corruption management to safeguard the healthy and sustainable development of the Company.

Deepen "Carbon Peaking and Carbon Neutrality" practices to empower green transformation. The Company actively responds to China's carbon peaking and carbon neutrality strategy, ensuring robust environmental management norms and risk control system, and integrating the concept of green development into the entire production and operation chain. We have optimized our carbon management system with improved performance, and actively promote energy structure transformation with specific carbon management guidelines. We have increased our environmental investment in key areas such as energy-saving and emission-reduction technological upgrades, water utilization efficiency improvement, and pollutant emissions reduction, ensuring stronger overall environmental risk management. We also adopted various measures to reduce our environmental footprint of our supply chain, such as the optimization of transportation routing, materials, and modes, accelerating the green transformation of our supply chain. In addition, we have developed a series of environmentally friendly products, such as lightweight products, "paper instead of plastic" products, as well as carbon neutral products, ensuring a win-win result of both higher production efficiency and better environmental benefits.

Activate the innovation engine and excel in a future of intelligent manufacturing. The Company views technological innovation as the core driving force for high-quality development and actively constructs an innovation ecosystem covering basic research and development, achievement commercialization, and digital intelligence integration. In 2024, we leveraged our role as a provincial-level enterprise technology center as a pivot, and formulated a cross-departmental collaborative innovation mechanism by integrating resources from the R&D Department, the Energy Conservation and Environmental Protection Department, and the Expert Advisory Group. We continue to optimize R&D management and intellectual property management systems, intensifying incentives for technological innovations, accelerating the transformation of technological achievements into productivity, and striving to create innovative products with both high added value and better environmentally friendly attributes. Meanwhile, we vigorously implement the digital-intelligent transformation strategy, significantly improving production efficiency and management standardization through the intelligent transformation of production processes and the digitalization of business processes.

Strengthen the people-oriented foundation and jointly build a responsibility ecosystem. We always regard "people" as the most valuable asset of the Company, placing great importance on the protection of employee rights and ensuring a respectful, diverse, equal, and inclusive working environment for all employees. We instill the Management By Olympic System (MBOS) culture into every aspect of our operations, and actively encourage employee participation in corporate development and transformation, empowering employees to enhance their capabilities in a vibrant and innovative atmosphere. We continuously optimize our dual-channel talent development mechanism for management and technology talents, providing employees with abundant educational and training resources to empower them to realize their personal value while supporting our corporate development. We support rural revitalization and community development, making positive contributions to public welfare development through concrete actions for good.

Those with tenacity are committed in their actions, and with tenacity, can journey far. Standing here in 2025, where opportunities and challenges coexist, we will respond to national policy guidance with a more proactive stance, continuously deepen our main business areas, intensify our efforts in cultivating new productive forces, promote the deep integration of technological innovation with industrial innovation, and work together with upstream and downstream partners to contribute our wisdom and strength to the healthy and sustainable development of the manufacturing industry.

2024 ESG Key Performance

Governance and Economic

Economic Performance

Operating income
RMB **18.930** billion

Total tax payment
RMB **182** million

Social contribution per share
RMB **1.65**

Anti-corruption

Percentage of employees covered by anti-corruption training
100%

Sustainable Procurement



Amount of certified wood chips
159,666.81 tons

Proportion of certified wood chips
10.01 %



Amount of certified wood pulp
153,799.02 tons

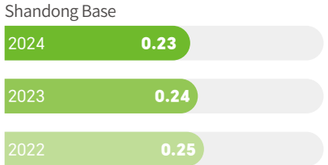
Proportion of certified wood pulp
9.82%

Environmental

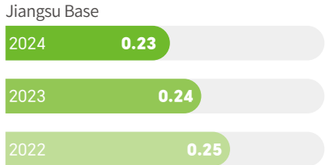
Energy Consumption

Comprehensive energy consumption per unit of product (ton of standard coal/ton of paper)

Shandong Base

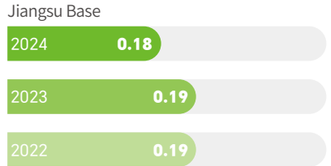


Jiangsu Base



Comprehensive energy consumption per unit of product (ton of standard coal/ton of pulp and paper)

Jiangsu Base



Water Resource Management

Number of water-saving upgrading projects implemented
1

Annual water savings (10,000 cubic meters)
7 million cubic meters

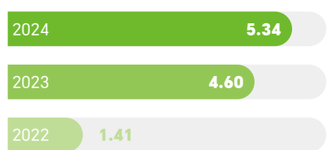
Waste Recycling and Reuse

Comprehensive utilization rate of solid waste



Environmental Protection Investment

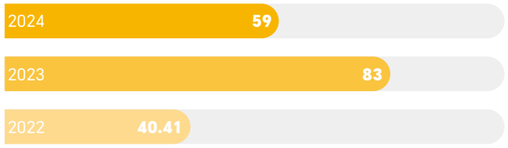
Environmental protection investment (RMB100 million)



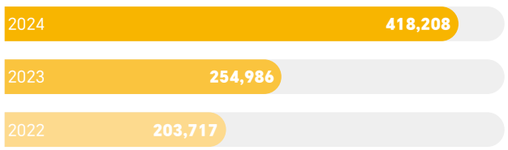
Social

Employee Training

Total training expenses (RMB10,000)



Total employee training time (hours)



Occupational Health and Safety

Employee safety training time
250,160 hours

Safety hazard rectification rate
99.68%

Total lost worktime rate

Employees: **1,571.17**

Contractors: **0**

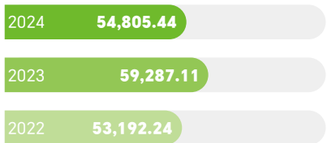
Lost-time injuries frequency rate

Employees: **1.48**

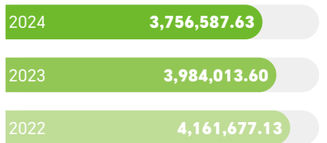
Contractors: **0**

Greenhouse Gas Emissions

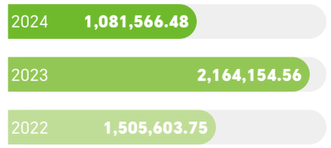
Direct (Scope 1) GHG emissions (tCO_2e)



Indirect (Scope 2) GHG emissions (tCO_2e)

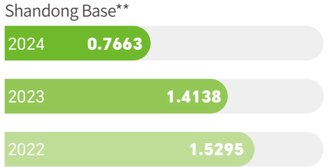


Other indirect (Scope 3) GHG emissions (tCO_2e)*

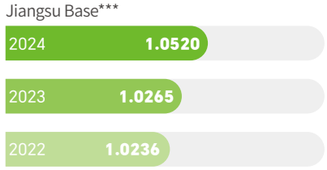


Carbon emission intensity per unit of product (tCO_2e/ton of pulp and paper)

Shandong Base**

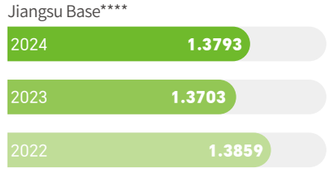


Jiangsu Base***



Carbon emission intensity per unit of product (tCO_2e/ton of paper)

Jiangsu Base****



* Other indirect (Scope 3) GHG emissions data for 2022 and 2023 include data of the Shandong Base and the Jiangsu Base, and for 2024 only include data of the Jiangsu Base.
** Carbon emission intensity per unit of product (pulp and paper) for Shandong Base in 2022 and 2023 = Total greenhouse gas emissions (scope 1+2+3) / total annual production of pulp and paper; Carbon emission intensity per unit of product (pulp and paper) for Shandong Base in 2024 = Total greenhouse gas emissions (scope 1+2) / total annual production of pulp and paper.
*** Carbon emission intensity per unit of product (pulp and paper) for Jiangsu Base = Total greenhouse gas emissions (scope 1+2+3) / total annual production of pulp and paper.
**** Carbon emission intensity per unit of product (paper) for Jiangsu Base = Total greenhouse gas emissions (scope 1+2+3) / total annual production of paper.

About Bohui Paper

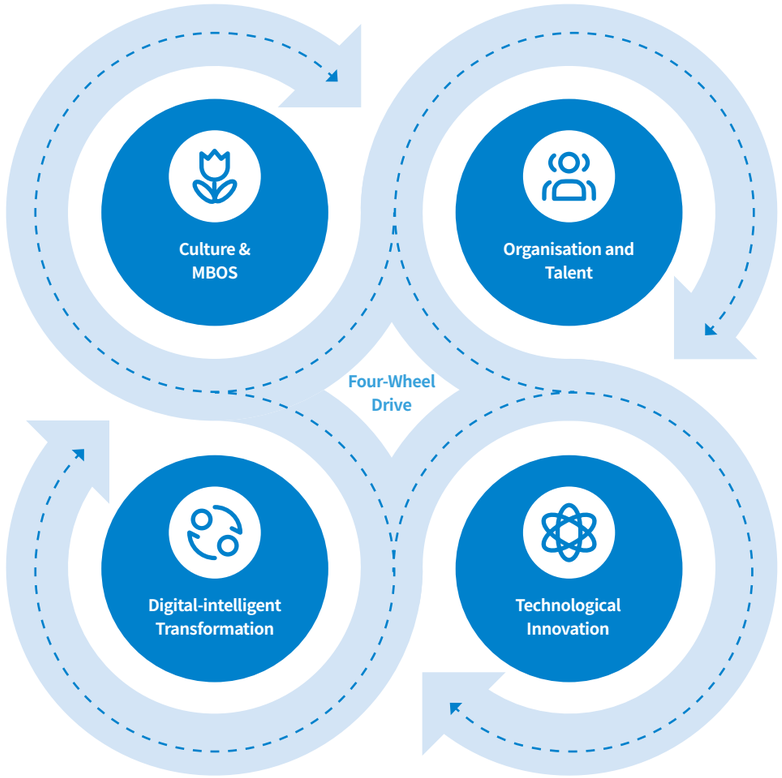
Company Profile

Shandong Bohui Paper Industry Co., Ltd. was established in 1994, headquartered in Zibo, Shandong, and with two major production bases in Shandong and Jiangsu. In 2004, Bohui Paper was listed on the main board of the Shanghai Stock Exchange (A-share Stock Code: 600966). The Company focuses on the research and development, production, and sales of integrated pulp and paper. Under the national dual-carbon strategy, the Company vigorously promotes the development of green and low-carbon circular economy, continuously optimizes product structure, explores new markets for products, and increases market share. The Company's main products include white ivory cardboard, cultural paper, boxboard paper, and gypsum cover paper.

In recent years, the Company has taken carbon neutrality and carbon peaking goals as its guide, deeply implemented green manufacturing, continuously optimized industrial structure, strengthened its main business, fully leveraged the professional advantages in technology and management of its controlling shareholder APP China, integrated high-quality resources, and achieved innovative development, stepping onto a new stage of development.

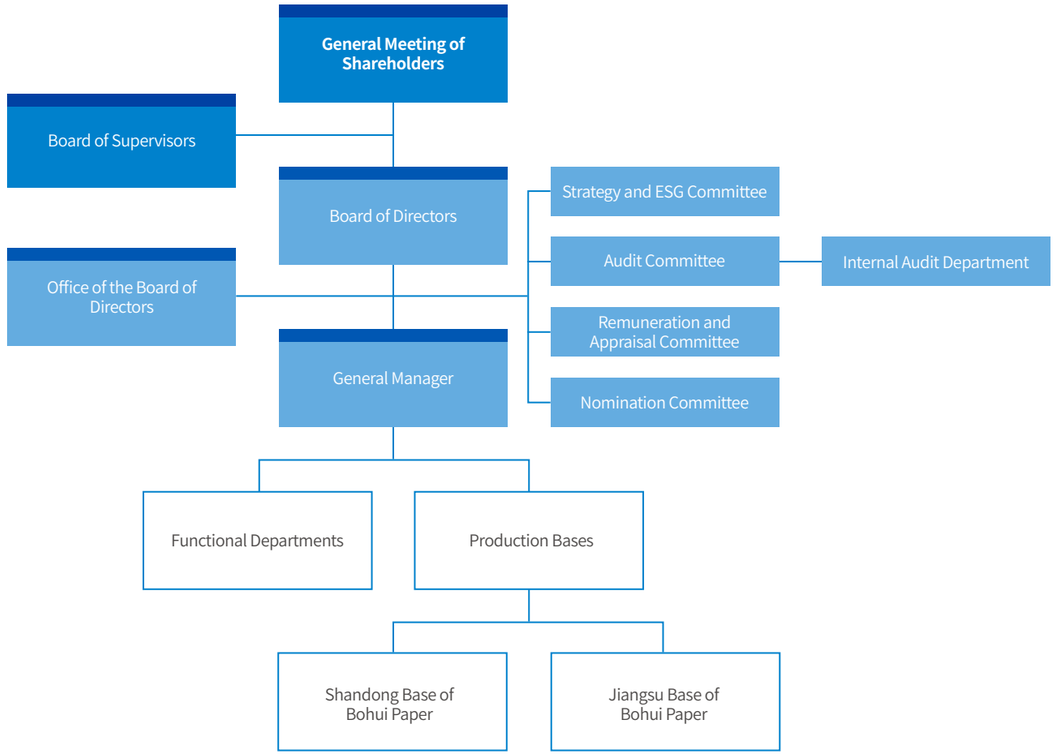
Adhering to the enterprise spirit of "constant self-improvement, open and inclusive, challenging limits, and vowing to achieve victory", Bohui Paper strives to lead future development with a strategy of "digital transformation and technological innovation", pursue "people-oriented and four-wheel drive" integrated innovation, implement the MBOS and lean management system to promote quality and efficiency, optimize the "three wastes" management system to build a green and circular industry, and support corporate transformation and upgrade with informatization, intelligent production and digital transformation to achieve high-quality sustainable development.

Management Model of Bohui Paper





Organizational Structure



Awards and Recognitions

WEEKLY ON STOCKS

2024 ESG Golden Dawn Award, Social Responsibility Award, Top Ten Leading Enterprises - Best Green Innovation

China Light Industry Enterprise Management Association

China Light Industry Patent Achievement Award, AAAA-rated Corporate Social Responsibility Evaluation, Modern Management Innovation Achievements, Excellent Corporate Social Responsibility Achievements

China-Asia Economic Development Association

2024 China Innovation Brand Top 500

China Publishing Group Co., Ltd., Beijing Zhong Ban Lian Printing Materials Co., Ltd.

Shortlisted Paper Supply Enterprises

S&P Global

Sustainability Yearbook 2024 (China Edition) Selected Enterprises

The 13th Finance Summit

2024 (Industry) Influential Brands

3rd International Green Zero Carbon Festival

Outstanding Green Innovation Award

China Light Industry Information Center

2024 China Light Industry Digital Transformation Leader Case, 2024 China Light Industry Digital Transformation Urgently Needed Technical Challenge Solution

China Enterprise Confederation, China Enterprise Directors Association

AAA Credit Enterprise in Enterprise Credit Evaluation

All-China Federation of Industry and Commerce

2024 China Top 500 Private Manufacturing Enterprises

China Pulp & Paper Industry

2024 Top 20 Paper Enterprises in China

Shandong Administration for Market Regulation

2023 Annual Shandong High-End Brand Cultivation Enterprises

Shandong Development and Reform Commission

Shandong Provincial Engineering Research Center

Shandong Federation of Industry and Commerce

Top 200 Private Enterprises in Shandong, Top 100 Private Enterprises in Shandong for Employment Absorption

Department of Industry and Information Technology of Shandong Province

Shandong Province Manufacturing Industry Single Champion

Shandong Council for Brand Development

Excellent Case of Brand Building

Shandong Council for Brand Development, IFENG.com Shandong

Shandong Enterprises Database of Outstanding ESG Management

Shandong Association of Plant Engineering

Equipment Management Maturity Evaluation Activity Three-Star Unit

Jiangsu Development and Reform Commission

Jiangsu Province Pulp and Paper Clean Production Engineering Research Center

Jiangsu Province Paper Industry Association

Jiangsu Province Paper Industry Top Ten Green Low-Carbon Development Enterprises

Zibo Enterprise Confederation, Zibo Technology Transformation Association

Outstanding Cases of Equipment Upgrading and Technological Transformation in 2024

Office of the Zibo Municipal Committee of the Communist Party of China

Advanced Collectives for Green, Low-Carbon, High-Quality Development in Zibo City

Zibo Municipal Federation of Trade Unions

Innovation Alliance for Model Workers and Skilled Talents

Zibo Industry and Information Technology Bureau

Key Enterprises for Doubling Growth in Zibo City

People's Daily Overseas Edition, All-China Environment Federation

2024 China Corporate ESG 100 Index

Yancheng Charity Federation

Loving Enterprise Award

ESG Management

Bohui Paper continuously deepens its ESG management system. The Board of Directors is the top decision-making body for ESG governance. The Company vigorously integrates ESG concepts into corporate governance and strategic decision-making, and continuously improves its performance in environmental protection, social responsibility, and corporate governance, making positive contributions to promote sustainable development.

ESG Governance System

To optimize its corporate governance structure and standardize ESG management, the Company has established a Strategy and ESG Committee under the Board of Directors, responsible for considering and proposing recommendations for the Company's long-term development strategy and ESG management initiatives. Members of the Strategy and ESG Committee possess professional skills in production operations, finance, and legal affairs, which allows them to provide forward-looking guidance for the Company's strategic development and ESG-related operations.

The Board of Directors and the Strategy and ESG Committee review the Company's ESG performance annually at the beginning of each year. ESG-related proposals, prioritized by their significance, are reviewed and approved by the Strategy and ESG Committee first, before being submitted to the Board of Directors for review. Proposals related to major issues are submitted to the General Meeting of Shareholders for review. The Company continuously tracks the implementation of various decisions, with relevant departments regularly reporting on progress.

S&P Global released its second *Sustainability Yearbook (China Edition)* in 2024. Bohui Paper became the only selected company in the domestic paper and forestry products industry due to its performance in the 2023 Corporate Sustainability Assessment (CSA).



Double Materiality Analysis

In 2024, the Company conducted a systematic issue identification and double materiality assessment analysis, carrying out an analysis of the financial materiality and impact materiality of 24 ESG issues identified. Four financial material issues were identified during the process, including climate change response, technological innovation, product safety and quality, and health and safety, which are covered in this report following the "four pillars" of "governance; strategy; impact, risks and opportunities; and metrics and targets", including of all related topics. Compared to the ESG issues identified in 2023, there were six new issues identified in 2024, including ecosystem and biodiversity protection, rural revitalization, equal treatment of small and medium-sized enterprises, due diligence, stakeholder communication, and anti-unfair competition. Some issues identified this year stemmed from the integration or splitting of previous issues, such as pollutant emissions, employee development, and information security and customer privacy protection. A few issues had their definitions slightly adjusted, such as water resources utilization, product safety and quality, and social engagement and contribution.

Step 1: Issue Identification

Based on the 21 issues required by the sustainable reporting guidelines of the Shanghai Stock Exchange, the Company carried out a comprehensive review of national macro policies, regulatory requirements, industry trends of the paper making industry, benchmarking results of issues disclosed by industry peers, and its own operation and strategic planning, identifying 24 sustainability issues of significance both to the Company and its stakeholders.

Step 2: Materiality Analysis

The materiality of each issue was assessed in terms of both its impact materiality and financial materiality.

- Impact materiality: Organized various departments to analyze the impact factors for each issue regarding four aspects: actual positive impact, actual negative impact, potential positive impact, and potential negative impact. A total of 227 questionnaires were returned from stakeholders surveyed.
- Financial materiality: Each issue was analyzed from the perspectives of both risk and opportunity regarding its potential financial impacts. Organized core departments to assess the financial impacts of each issue based on the likelihood and degree of impact across different timeframes: short-term (1-2 years), medium-term (2-5 years), and long-term (more than 5 years), which is consistent with the timeframe used in the Company's strategic planning.

Step 3: Prioritization of Issues

The senior management team of the Company reviewed the materiality analysis results, and reported the list of prioritized issues to the Board of Directors for approval.

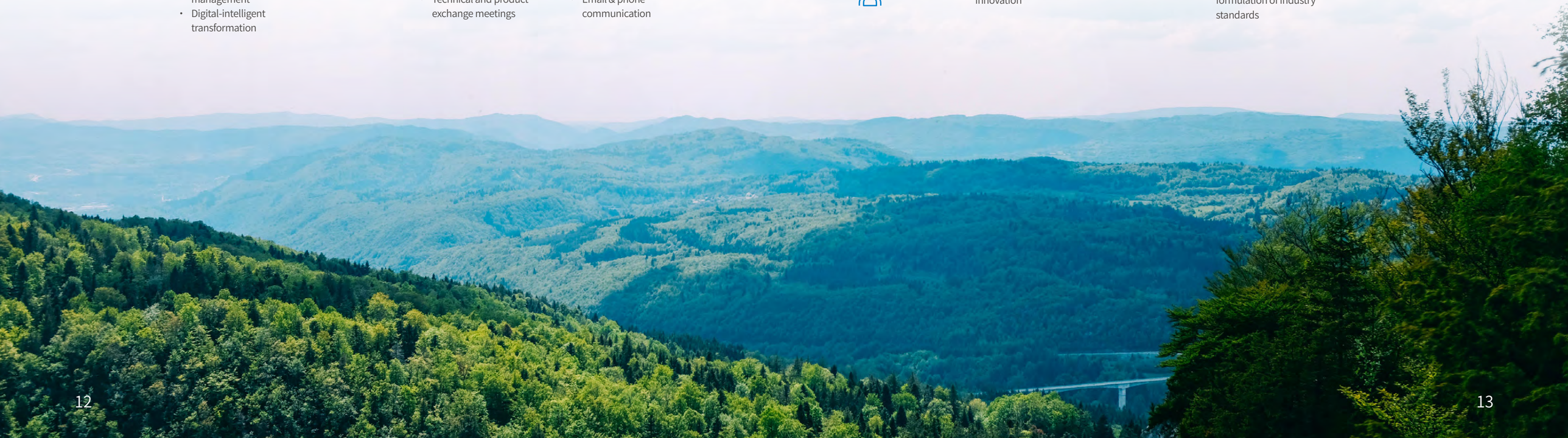


Stakeholder Communication

Bohui Paper has established diversified channels for communicating with stakeholders to ensure timely understanding of their expectations and demands, and to provide practical responses to stakeholders through continuous improvement actions. The Company's key stakeholders include government and regulatory authorities, shareholders and investors, customers, employees, suppliers and contractors, and communities.

Bohui Paper actively participates in national, provincial, and municipal industry associations and groups, aiming to leverage its expertise to contribute to the high-quality and sustainable development of the industry. In 2024, the Company participated in the formulation of a number of industry standards, such as the *Guidelines for Carbon Footprint Accounting and Reporting of Paper and Paper Products, Technical Specifications for Green Design Product Rating – Pulp,* and *General Guidelines for Environmental Footprint Assessment of Paper and Paper Products.*

Stakeholders	Issues of Concern	Main Communication Channels
Government and Regulatory Authorities	• Business ethics and anti-corruption • Environmental management and compliance • Responding to climate change • Energy management • Water resources management • Health and safety	• Government regulation, inspection and survey • Government communication conference • Information disclosure and reporting • Daily communication and reporting • Listed company training activities
Shareholders and Investors	• Corporate governance • Risk and compliance management • Business ethics and anti-corruption • Digital-intelligent transformation • Technological innovation • Product safety and quality	• General Meeting of Shareholders • Regular and interim reports • Progress announcements of key projects • Investor hotline • Roadshows and reverse roadshows • Online interactive platform • Email
Customers	• Product safety and quality • Customer relationship management • Digital-intelligent transformation • Technological innovation • Circular economy	• Customer visit and daily communication meetings • Technical and product exchange meetings • Mill Visit • Customer satisfaction survey • Customer training • Email & phone communication
Employees	• Health and safety • Career development • Responding to climate change • Energy management • Employee engagement • Digital-intelligent transformation	• Employees representative conferences • Employee seminars • Suggestion box • Employee satisfaction survey • Corporate culture activities • Proposal management • Regular training • Internal journals and official WeChat account
Suppliers and Contractors	• Supply chain management • Product safety and quality • Technological innovation • Health and safety • Digital-intelligent transformation	• Supplier training • Supplier audit and supervision • Supplier exchange meetings • Technical exchange activities and R&D cooperation • Email & phone communication
Communities	• Environmental management and compliance • Water resources management • Waste management • Air pollutants control • Responding to climate change • Health and safety • Community engagement and public welfare	• Community monitoring and feedback • Environmental risk assessment • Social welfare activities • Industry talent training projects
Industry associations	• Product safety and quality • Technological innovation • Supply chain management	• Industry association membership • Participate in the formulation of industry standards • Participate in industry activities



Bohui Paper has been taking important roles in multiple industry associations for consecutive years, actively participating in industry communication activities and promoting the high-quality development of the industry.

Industry association memberships of Bohui Paper

- China National Light Industry Council, Membership
- China Paper Industry Chamber of Commerce, Vice Chairman Unit
- China Paper Association, Executive Director Unit
- Shandong Paper Association, Vice Chairman Unit
- Jiangsu Province Paper Industry Association, Vice Chairman Unit
- Jiangsu Province Technical Association of Paper Industry, Executive Director Unit
- Jiangsu Provincial Association of Returned Overseas Chinese Businessmen, Chairman Unit
- Zibo Intellectual Property Society, Membership
- Dafeng Private Enterprise Chamber of Commerce, Vice Chairman Unit

Industry activities participated in 2024 (Partial)

- Attended the 2024 Shandong Paper Industry Annual Meeting and the Shandong Province Paper Industry Conference on Green, Low-Carbon and High-Quality Development
- Participated in the 6th Shandong Paper Industry Vocational Skills Competition
- Attended the 2024 Shanghai Pulp Week
- Participated in the 2024 Shandong Brand Summit and the ESG Construction and Brand Value Enhancement Forum
- Attended the 2nd China Brand Global Image Communication Forum and the 2024 China Corporate ESG Blue Book Launch Event
- Attended the 17th Paper Industry Development Conference organized by China Paper Industry
- Participated in the second cohort event of the Visit of Paper-making Enterprises by paper chemicals companies
- Co-hosted the 2024 Seminar on Green and Efficient Use of Fiber Resources & the 4th Industry Seminar on New Pulp & Paper Technologies



» Hosting representatives of paper chemicals companies at Bohui Paper

Sustainability Certification

Bohui Paper is committed to promoting the standardization of the sustainability management system of the entire value chain, and has successfully obtained a number of sustainability-related certifications by implementing diversified sustainability stratrgies, laying a solid foundation for high-quality development of enterprises.

Jiangsu Base of Bohui Paper

- ISO 9001 Quality Management System Certification
- ISO 14001 Environmental Management System Certification
- ISO 45001 Occupational Health and Safety Management System Certification
- ISO 50001 Energy Management System Certification
- FSC Chain of Custody Certification
- ISO 14064-1 Greenhouse Gas Verification
- ISO 14067 Product Carbon Footprint Verification
- Integration of Informationization and Industrialization Management System Certificate

Shandong Base of Bohui Paper

- ISO 45001 Occupational Health and Safety Management System Certification
- ISO 14001 Environmental Management System Certification
- ISO 9001 Quality Management System Certification
- ISO 50001 Energy Management System Certification
- FSSC/ISO 22000 Food Safety Management System Certification
- CFCC/PEFC Chain of Custody Certification
- FSC Chain of Custody Certification
- ISO 14064-3 Greenhouse Gas Verification
- Carbon Management System Certification
- China Environmental Labeling (Type II) Product Certification
- Eye Protection Paper Certification for Learning Supplies for Children and Adolescents to Prevent Myopia
- Carbon Neutral Certificate (offset printing paper, food-grade coated kraft cardboard, aseptic liquid packaging board)
- ISO 14067 Carbon Footprint Certifications (industrial packaging cardboard, packaging kraft paper, cultural paper, aseptic liquid packaging board, offset printing paper, food-grade coated kraft cardboard CBKB, coated white cardboard IBP, coated food cardboard GCU, uncoated white cardboard PCM, coated cardboard, white cardboard, coated food cardboard, uncoated food cardboard)

Corporate Governance and Economic

Laying a Strong Development Foundation with Compliance and Innovation



Corporate Governance

Bohui Paper continues to improve corporate governance structure, strengthen the independent operation mechanism of the Board of Directors, enhance the effectiveness of decision-making, and promote the standardization of the company's operations. At the same time, the Company focuses on investor relations management, builds a long-term communication mechanism with investors, continuously improves the quality of information disclosure, and effectively safeguards the legitimate rights and interests of investors.

Optimizing Corporate Governance System

The Company strictly complies with the laws, regulations and normative documents such as the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Guide for Articles of Association of Listed Companies,* the *Code of Corporate Governance for Listed Companies in China,* the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange,* and the *Guidelines No.1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Standardized Operation,* and has formulated and continuously optimizes a series of relevant system policies, such as the *Articles of Association,* the *Rules of Procedure for Board Meetings,* and the *Independent Directors Policy,* constantly strengthening the governance structure of the Company.

The Company has established a multi-level governance structure composed of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management team. The Board of Directors reports to the General Meeting of Shareholders. The Board consists of four special committees: the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Committee members are all directors of the Company. The Company comprehensively considers factors such as professional experience, skills, culture and educational background, age and gender in the nomination and appointment of directors. Members of the Board possess the necessary knowledge, skills, qualities, and good professional ethics required to effectively ensure that Board of Directors makes professional and well-advised decisions. In 2024, the Company convened six Board meetings, deliberating 35 proposals, with an average attendance rate of 100%.

In 2024, the directors, supervisors, and senior management team of the Company participated in a targeted training organized by the Shandong Listed Companies Association. The training content focused on preventing financial fraud in listed companies, regulatory policy trends and case studies on mergers and acquisitions, corporate governance, and other daily regulatory requirements for listed companies. This training effectively strengthened the compliance awareness and self-regulatory management capabilities of the directors, supervisors, and senior management team of the Company, laying a solid foundation for further enhancing the effectiveness of its corporate governance.

Main Responsibilities of Each Special Committee of Bohui Paper's Board of Directors

Strategy and ESG Committee	Responsible for researching and providing recommendations on the Company's long-term development strategy, major investment decisions, sustainable development, and ESG matters. The committee consists of five directors, with the chairman serving as the chairman of the committee.
Audit Committee	Responsible for reviewing the Company's financial information and disclosure, supervising, and evaluating internal and external audit work, and internal controls. The convener of Audit Committee is a professional accountant. The committee consists of three directors, including two independent directors, with the accounting professional among the independent director members serving as the chairman of the committee.
Nomination Committee	Responsible for formulating selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management positions, and forming clear review opinions. The committee consists of three directors, including two independent directors, with the independent director serving as the chairman of the committee.
Remuneration and Appraisal Committee	Responsible for formulating assessment criteria for directors and senior management, conducting assessments, and formulating and reviewing compensation policies and plans for directors and senior management. The committee consists of three directors, including two independent directors, with the independent director serving as the chairman of the committee.

Board Independence

There are a total of three independent directors in Bohui Paper, accounting for 42.9% of the members in the Board of Directors. In compliance with the relevant laws, regulations and normative documents such as the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Code of Corporate Governance for Listed Companies in China,* the *Management Measures for Independent Directors of Listed Companies,* the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange,* and the *Guidelines No.1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Standardized Operation,* as well as the relevant provisions of its *Articles of Association,* the Company has formulated its *Independent Directors Policy* to optimize corporate governance, strengthen the constraints and supervision mechanisms for Board of Directors and the senior management team, ensure the standardized operation of the company, regulate the behavior of independent directors, and fully leverage the role of independent directors in corporate governance.

The *Independent Director Policy* stipulates that independent directors of the Company shall not hold any position other than director within the Company, and shall have no direct or indirect interest relationship with the Company, or the major shareholders or actual controllers of the Company, as well as any other relationships that may affect their independent and objective judgment. Independent directors shall independently perform their duties and shall not be influenced by the Company, the major shareholders or actual controllers of the Company, or other entities or individuals. The proportion of independent directors in Board of Directors shall not be less than one-third, and shall include at least one accounting professional. The independent directors in Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee under the Board shall be in the majority and serve as the convener, where members of Audit Committee should be directors who do not hold senior management positions in any listed company, and the convener should be an independent director who is an accounting professional.

The Company also regulates the number of other mandates of the non-executive directors and independent directors.

Article 126 of the Articles of Association stipulates that individuals holding administrative positions other than directors and supervisor in the Company's controlling shareholder entity shall not serve as senior management of the Company.

Article 96 of the Articles of Association stipulates that directors may concurrently serve as managers or other senior management positions, but the total number of directors concurrently holding the position of manager or other senior management positions shall not exceed 1/2 of the total number of directors of the Company.

Article 8 of the Independent Director Policy stipulates that independent directors is allowed to serve as independent directors in no more than three domestic listed companies in principle, and they shall ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

Board of Directors /Committees of the Board of Directors	Number of Directors	Number of Independent Directors
Board of Directors	7	3
Strategy and ESG Committee	5	1
Audit Committee	3	2
Remuneration and Appraisal Committee	3	2
Nomination Committee	3	2

Board of Supervisors

The Company's Board of Supervisors consists of three supervisors, including an employee representative supervisor. According to the *Rules of Procedure for the Board of Supervisors,* the Board of Supervisors should include shareholder representatives and an appropriate proportion of employee representatives, with the proportion of employee representatives not less than 1/3. Employee representative supervisors are democratically elected by the Company's employees through venues such as the employee representative conferences and employee congress. In 2024, the Company convened 4 Board of Supervisors meetings, and 100% of the recommendations required by the Board of Supervisors were rectified and implemented during the year.

In 2024

Number of Board of Supervisors meetings held by the Company
4

Percentage of relevant recommendations issued by the Board of Supervisors that were fully rectified and implemented during the year
100%

Main authorities and responsibilities of Board of Supervisors

- Review the Company's regular reports prepared for Board of Directors and provide written review opinions;
- Examine the Company's finances;
- Supervise the actions of directors and senior management personnel in performing their duties, and propose the dismissal of directors and senior management personnel who violate laws, administrative regulations, the *Articles of Association,* or General Meeting of Shareholders resolutions;
- Request directors and senior management personnel to rectify their actions when such actions harm the interests of the Company;
- Propose to convene an ad-hoc General Meeting of Shareholders, and convene and preside over the General Meeting of Shareholders when Board of Directors fails to perform its duties of convening and presiding over General Meeting of Shareholders as stipulated by the *Company Law;*
- Put up proposals to General Meeting of Shareholders;
- File lawsuits against directors and senior management personnel in accordance with Article 151 of the *Company Law;*
- Initiate investigation if abnormal business conditions of the Company are identified; if necessary, accounting firms, law firms, and other professional agencies may be engaged to assist in the investigation, whose expenses shall be borne by the Company.

Investor Relations Management

The Company strives to establish a long-term and stable relationship with investors to ensure effective communication with investors and protect the legitimate rights and interests of investors, especially small and medium-sized investors. The company has formulated the *Investor Relations Management Policy* in accordance with the relevant laws, regulations and normative documents such as the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Guidelines for Investor Relations Management of Listed Companies,* the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange,* and the *Guidelines No.1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Standardized Operation,* the relevant provisions of the *Articles of Association of the Company*, as well as the actual situation of the Company.

In 2024, the Company conducted its information disclosure through Shanghai Stock Exchange, Shanghai Securities News, China Securities Journal, Securities Times, and other channels, releasing a total of 85 announcements. The Company also prepared visual presentations of its financial results to make them easier to understand. In addition, the Company communicated with investors through roadshows, investor briefings, and on-site research, fully safeguarding investor rights with convenient and effective engagement with investors. In 2024, the Company conducted a total of 107 roadshows and reverse roadshows, and hosted 309 investor visits, totaling 146 hours cumulatively. The Company also participated in 18 brokerage strategy meetings.

In 2024

Number of roadshows and reverse roadshows conducted
107

Number of Investors received
309 visits

Cumulative hours
146 hours

Number of brokerage strategy meetings participated
18

Risk and Compliance Management

Bohui Paper has established an internal control system with "three lines of defense", forming a comprehensive risk prevention system. Within this system, the second line of defense is responsible for warning and supervising the first line of defense, while the third line of defense provides feedback, improvement, testing, and evaluation for the first and second lines of defense, ultimately ensuring the coordinated functioning and continuously optimization of the "three lines of defense" and enhancing systematic risk prevention. In 2024, the Company had no incident of compliance violations, such as incidents identified in self-examination and rectification, and incidents subject to regulatory warnings or penalties, or legal disputes.

Bohui Paper Internal Control System "Three Lines of Defense"

1 **First line of defense**
Operational level

- Front-line managers supervise employees to comply with behavioral rules and promptly correct and improve any violations
- Self-assessment of daily risks

2 **Second line of defense**
Internal control department + part-time group

- The internal control department continuously monitors risks and promptly corrects failures
- Closely cooperate with operational management departments to supervise and inspect functional departments to implement key controls
- Establish an internal risk and control perspective, provide risk-related expertise, and implement policies and procedures

3 **Third line of defense**
Internal audit

- Distinguish from the other two lines by higher organizational independence and objectivity
- Conduct audits on corporate governance, risk management, and the efficiency and effectiveness of internal controls to achieve "auditing to promote control"

In 2024, the Company carried out 5 key audit projects around its core business, identifying 10 general operational deficiencies. Regarding these operational deficiencies identified, the Company comprehensively sorted its business processes, examining and optimizing each step from process planning, implementation details, to supervision and feedback, ensuring continuous improvement across all links. A relevant performance evaluation mechanism was also established accordingly. During the reporting period, the Company steadily carried out and completed the rectification of the internal control deficiencies identified, effectively enhancing its internal control system, further strengthening risk prevention and control capabilities, and providing a solid guarantee for the high-quality development of the Company.

Business Ethics

Bohui Paper adheres to the principle of business integrity, ensuring transparency in all business activities through measures such as establishing an integrity management system, regulating employee behavior, strengthening the whistleblower protection mechanism, conducting regular integrity education activities, and establishing a supplier anti-corruption mechanism.

Anti-commercial Bribery and Anti-corruption

Bohui Paper adheres to the ethical principles of "upholding honesty and integrity, and keeping promises" to make the Company a model for corporate integrity culture practices. The Company has formulated the *Policy Guidelines on the Prohibition on Accepting Gifts and Hospitality,* which clearly defines the norms and standards for handling gifts and hospitality from external parties, further reinforcing the management of employee integrity. In 2024, the Company had no incidents of commercial bribery or embezzlement.

Bohui Paper Professional Ethics Requirements

In 2024, the Company carried out a risk assessment on business ethics. The assessment results showed that the overall business ethics risks of the Company are within a controllable range and had no negative impact on its production and operations. During the reporting period, the Company further improved its business ethics management system through measures such as enhancing policies and normative framework, strengthening contract requirements, and conducting integrity advocacy and education activities.

The Company regards "self-discipline, honesty and integrity" as its core professional codes of conduct, and has clearly incorporated them into its *Employee Codes of Conduct.* In 2024, the Company revised its *Employee Codes of Conduct,* categorizing violations into four levels: A, B, C, and D, and establishing corresponding disciplinary measures, providing a clear reference and guideline for employees' everyday conduct. The company implements a "zero tolerance" policy towards employees involved in corruption, bribery and other issues. Once verified, employees with such violations will have their labor contracts terminated unconditionally; those suspected of illegal activities will be handed over to relevant authorities for handling.



The Company prioritizes suppliers with Corruption Perceptions Index (CPI) score, rated by Transparency International, above 60 points. Suppliers with integrity issues will face a "one-vote veto" policy. If a particular circumstance makes it necessary to cooperate with a supplier with low CPI scores, the case must undergo a comprehensive risk assessment and get approval from the General Manager. All suppliers are required to sign an integrity commitment letter when they register with the Company. Supplier contact also contains dedicated clauses on anti-commercial bribery clause, having their business conduct regulated from the source. The Company regularly audits and supervises its daily procurement processes through its internal audit department, and operates a procurement whistleblower hotline managed by the Corporate Risk & Integrity Department, forming a dual supervision mechanism. Supplies with violations will face disciplinary actions such as termination of cooperation or blacklisting

depending on the circumstances. The Company conducts procurement through its online procurement platform, with a strict approval process to ensure fairness. In addition, the Company regularly holds integrity symposiums for suppliers, comprehensively introducing its anti-corruption management system and compliance system to suppliers to guide them to conduct business within the framework of honesty and compliance.

In September 2024, the Company launched the annual Sunshine Integrity Month Event under the theme of "Sunshine for Transparency, Integrity for Win-Win Cooperation". Nearly a thousand management personnel participated in various activities both online and onsite, such as lectures of external experts, and integrity training. Each department also organized integrity-themed learning activities, covering all employees. The Company also continuously carried out integrity culture training and awareness-raising activities for new employees and business departments, creating a healthy atmosphere for integrity management. The event activities helped enhance not only the awareness of ethical standards and legal consciousness of employees, but also the willingness of external partners to actively report business process issues and provide suggestions. In 2024, the Company organized 49 integrity training sessions for new employees, with a total participation of about 1,700 person, and held integrity culture promotion activities for Logistics Department employees with 248 employees participating.

In 2024

Number of integrity trainings for new employees organized	Number of new employees covered by integrity trainings	Number of employees of the logistics department participating in integrity culture promotion
49	**1,700** person	**248**



» Shandong Base of Bohui Paper employees taking the integrity oath at the Integrity Month Event

The Company has established a whistleblowing mechanism to handle anonymous reports and complaints from employees, suppliers, and customers, as well as other internal and external stakeholders. Real-name whistleblowing is encouraged. In addition, the Company has also set up a whistleblowing email and an independent 24/7 whistleblowing hotline. The Company ensures strict confidentiality to encourage whistleblowers to objectively report suspected incidents, and protects the legitimate rights and interests of the person being reported. In 2024, the Company received over 100 whistleblowing reports, most of which were related to the Company's operational management, process improvement, and employee violations of work discipline after investigation. For matters related to operational management and process improvement, they were transferred to relevant business departments for coordination. For matters related to employee violations, a management suggestion will be proposed following proper investigation and verification, and transferred to the Human Resources Department for subsequent process improvements or disciplinary actions.

Anti-Unfair Competition

Bohui Paper strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China,* clearly defining disciplinary actions against acts of unfair competition, such as infringement of trade secrets, in its *Employee Codes of Conduct.* Anti-unfair competition is also included as a key topic in the Company's Integrity Month Event, new employee trainings, targeted departmental trainings, and suppliers integrity communications. In addition, the Company has incorporated anti-unfair competition clauses into partnership contracts and strictly holds any breach of contract accountable to effectively maintain a healthy and fair market environment. In 2024, the Company had no incidents of any lawsuits or significant administrative penalties due to acts of unfair competition.

Supply Chain Management

Bohui Paper has established a robust supplier management system with policies such as the *Procurement Management Procedure* and the *Wood Pulp Waste Paper Procurement Management Procedure,* ensuring strict supplier management across procurement processes including approval review, risk assessment, performance evaluation, and communication and improvement. Suppliers of the Company are categorized by the products and services they offer, mainly including wood pulp and waste paper suppliers, wood chip suppliers, chemicals suppliers, equipment suppliers, engineering suppliers, spare parts suppliers, packaging material suppliers, logistics suppliers, and services suppliers. For any given category, the Company prioritizes localized procurement whenever the conditions are appropriate. As of the end of 2024, the Company has a total of 3,074 Suppliers, of which 97.59% are domestic suppliers.

The Company gives priority to industry-leading suppliers and has incorporated ESG considerations into evaluation factors, prioritizing suppliers with strong sustainability performance or with relevant certifications such as CFCC/PEFC, FSC, and AEO. Suppliers are required to sign a *Corporate Social Responsibility (CSR) Statement and Pledge* upon registration, committing to upholding business ethics, respecting human rights, protecting the environment, safeguarding intellectual property, ensuring sustainable supply chain management regarding their own supply chain, developing green products, engaging in socially responsible procurement, and actively seeking management system certifications. The Company also continuously monitors the ESG performance of suppliers based on their ESG management practices and performance data. Suppliers with outstanding ESG performance will be given more procurement opportunities. The Company actively promotes ESG-related information and requirements among suppliers, encouraging them to continuously improve their ESG management. In 2024, the Company did not terminate cooperation with any supplier due to incidents of significant negative environmental or social impact.

Under the premise of meeting production and sales demands, the Company strives to gradually increase the procurement of wood chips and wood pulp with sustainability certifications such as CFCC/PEFC and FSC. In 2024, the proportion of certified wood chips and wood pulp accounted for 10.01% and 9.82% of the total amount of wood chips and pulp procurement of the Company, respectively.

As of the end of 2024

Total suppliers of the Company
3,074

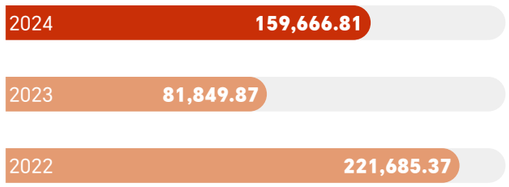
Proportion of local suppliers in China
97.59%

In 2024

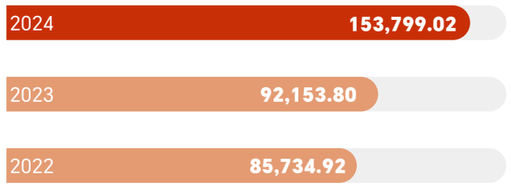
Proportion of certified wood chips purchased
10.01%

Proportion of certified wood pulp purchased
9.82%

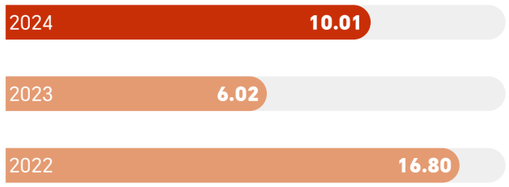
Total amount of certified wood chips purchased tons



Total amount of certified wood pulp purchased tons



Proportion of certified wood chips purchased %



Proportion of certified wood pulp purchased %



Bohui Paper's Requirements for Pulp and Wood Fiber Suppliers

- Suppliers are required to maintain valid records to demonstrate the origin of the source of raw materials (e.g. plantation), and to be able to demonstrate in general how the suppliers of wood fiber obtained their raw materials.
- Suppliers and their upstream suppliers must comply with the laws and regulations of the countries in which they operate, including laws and regulations on environmental protection.
- Suppliers shall guarantee that all wood chips come from plantation forests and pulp is supplied directly from the pulp mill.
- Suppliers shall take proactive actions to improve their own sustainability management mechanisms, including strengthening the procurement of raw materials from plantation forests.
- Suppliers shall comply with the *Responsible Fiber Procurement & Processing Policy* (RFPPP) of Bohui Paper's pulp and paper businesses, guaranteeing to provide:
  - ※ only timber that has been properly inspected and certified as legally sourced and traced through the chain of custody;
  - ※ no timber harvested in violation of tradition and civil rights;
  - ※ protection of high conservation value (HCV) forests through appropriate forest management activities in source forests of timber where HCV forests are identified;
  - ※ only waste and wood residues that comply with national regulations and are not on the list of regulated species of the International Union for Conservation of Nature (IUCN) and the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES) Appendix I;
  - ※ no genetically modified trees for reforestation unless it is assessed as in compliance with best-practice standards; and
  - ※ timber harvested in compliance with the *Fundamental Conventions of the International Labor Organization (ILO).*

The Company has established a supplier due diligence (SDD) system, rigorously reviewing the qualifications and risks of suppliers, and conducting regular supplier assessments. Suppliers are assessed on delivery timeliness, quality, price, service, and other indicators. Due diligence assessment is conducted either remotely or on-site. For remote assessment, procurement personnel review the basic qualifications information, certification certificates, supply information, related parties, financial reports, and the country integrity index of its jurisdiction of suppliers. For on-site assessment, approximately 90% of the Company's waste paper procurement is subject to on-site supplier assessment, which focuses on the waste paper sources, receiving volumes, types of received paper, supply capacity, and quality control of suppliers. In addition, 100% of the Company's large equipment procurement for new projects or environmental protection or safety-related equipment, and 10% of the Company's spare parts procurement, are also subject to on-site supplier assessment. In 2024, the Company conducted risk assessments on 631 suppliers.

During the reporting period, the Company reviewed the rationality of each operational link in the supply chain, striving to build a "fast, high-performance, and cost-efficient" Golden Supply Chain. The aim was to enhance supply chain operational efficiency across the whole supply chain system, covering procurement, delivery, warehousing, outbound, production, sales, and transportation. In 2025, the Company will continue to improve the whole-process supply chain system to advance the construction of the Golden Supply Chain. In addition, the Company strives to ensure supply chain security through strengthening suppliers risk control and emergency procurement strategies, intensifying the development of new suppliers, and enhancing technological innovation.

In 2024

Proportion of the Company's on-site visits for waste paper procurement
90%

Proportion of on-site visits for large equipment procurement for new projects or environmental protection or safety related
100%

Proportion of on-site visits for spare parts procurement
10%

Suppliers assessed for risk throughout the year
631

Technological Innovation

Adhering to the concept of green development, Bohui Paper takes the lead by establishing itself as a High-Tech Enterprise and Provincial Enterprise Technology Center, sets up a Technology Center, and continuously promotes the upgrade of technologies and products around new processes, new products, and new technologies. The Company vigorously develops high value-added products through independent research and development breakthroughs in key technologies, and actively responds to national environmental protection policies by driving innovation in zero-plastic products through technological innovation. All these efforts have contributed to enhancing the core competitiveness of the Company.

Governance

The Company has established a Technology Center to be in charge of formulating and implementing its technological development plan. It conducts research on technology applications and product development based on the actual needs of the market and production, focusing on enhancing the competitiveness of the Company through effective commercialization of its R&D achievements. In 2022, the Technology Center obtained Shandong Provinical Enterprise Technology Center certification. The Center has six departments: the Research and Development Department, the Process R&D Department, the Testing and Analysis Department, the Comprehensive Department, the Energy Conservation and Environmental Protection Department, and the Standardization Department, as well as an Expert Advisory Group. Shandong Base of Bohui Paper has established a Technical Innovation Committee, composed of R&D experts, process engineers, and external technical consultants. The Committee is responsible for formulating the technology roadmap and creating a decision-making mechanism to assess the commercialization potential of emerging technologies. At the implementation level, a cross-departmental Innovation Team was founded with employees from the production, procurement, and marketing departments. In 2024, the Jiangsu Provinical Pulp and Paper Clean Production Engineering Research Center under Jiangsu Bohui was recognized as a Jiangsu Provincial Engineering Research Center.

Formulate and carry out development plans for new products, new chemicals, new technologies, and new processes, and conduct laboratory pilot tests before workshop trials.

Conduct on-site anomaly analysis, process flow improvement, pilot trials for new products, and project tracking, assist production departments in stabilizing on-site processes and product quality.

Supervise non-conforming products in processes and products, conduct analysis and co-develop corrective and preventive measures with relevant departments, effectively control critical quality processes to ensure product quality meets varying customer demands over different periods.

Oversee the management of R&D projects such as new product development and quality improvement, and engage in external communication and cooperation.

Participate in the environmental protection and energy-saving design, supervision, and implementation of the Company's new, renovation, technical upgrade, and innovation projects, conduct environmental protection surveys, and identify existing problems and propose rectification plans, providing scientific basis for achieving environmental goals while reducing production costs.

Consists of external and internal experts and engineers from production, engineering, electrical instrumentation departments and the Technology Center, guide and collaborate with the Technology Center to conduct various small and medium-sized trials and new product development projects, and solve difficult problems during the R&D process.



The Company's R&D team possesses expertise in the fields of papermaking technology, materials science, and energy technology, and has accumulated a significant amount of cutting-edge technologies such as biomass energy and recycled fiber reinforcement, allowing them to effectively develop low-carbon and efficient production processes. In addition, the Company has established a talent pool for technological personnel, establishing a technology trial-and-error sandbox environment by introducing an innovation error-tolerance mechanism from collaboration university laboratories. The Company also continues to carry out capacity-building activities to enhance the R&D team's capabilities in product and technology innovation governance.

Capacity Building Measures

Training and learning programs

External Training: Select relevant personnel to participate in carbon neutrality, circular economy and ESG-related training organized by authoritative institutions (such as Tsinghua University's Carbon Neutrality Research Institute and the Paper Industry Association), and attend industry summits and forums to learn from industry leading experience on low-carbon transition.

Internal Training: Regularly invite industry experts and scholars to hold thematic lectures covering topics such as carbon neutrality policies, low-carbon technologies, and carbon footprint accounting.

Establish an internal knowledge-sharing platform to share technological innovation cases and governance experiences from the R&D Center.

Professional certification and qualification enhancement

Encourage relevant responsible personnel to obtain internationally recognized qualifications such as carbon neutral manager certification (e.g., PAS 2060) and carbon asset manager certification.

Promote all team members to master ISO 14064 Greenhouse Gas Accounting and Verification Standards.

Technical management certification: Support personnel in obtaining Project Management Professional (PMP) certification to enhance technological R&D management capabilities.

Benchmark learning through practice and case studies

Organize visits for relevant responsible personnel to leading domestic and international low-carbon paper enterprises to learn technological innovation and governance experiences.

Analyze the carbon neutrality strategies and implementation paths of benchmark industry peers to learn their experience.

Internal practice: Establish a "Low-carbon Technology Innovation Pilot Project" with relevant personnel directly involved in project management to enhance their practical capabilities.

Regularly evaluate technological innovation results to summarize experiences and lessons learned, and optimize governance processes.

Shandong Base of Bohui Paper reports on technological innovation progresses on a weekly, monthly, and semi-annual basis; Jiangsu Base of Bohui Paper reports on a monthly and quarterly basis. Both bases conduct relevant annual reports and assessments. The Company has established an incentive mechanism for technological innovation, implementing bonus rewards and commendation rewards for patent R&D personnel, encouraging R&D personnel to vigorously engage in innovation efforts.

Strategy

Risks and Opportunities		Impact Timeframe	Impact Level	Response Measures
Risks	**Technological risks:** • The R&D and application of new technologies may encounter technical bottlenecks or failure, which could lead to increased operational costs for the Company.	Medium- to long-term	Medium	• Optimize the pre-research and evaluation mechanism for technological R&D, verifying technological feasibilities in stages through pilot tests and trial tests to avoid reckless investment. • Establish diversified technological roadmaps to avoid dependence on any particular technology.

Risks and Opportunities		Impact Timeframe	Impact Level	Response Measures
Risks	Market risks: • The market performance of the Company's innovative products is uncertain, which may lead to a decrease in revenue or failure to recover the R&D costs due to fluctuations in market demand.	Medium-term	Medium	• Conduct research on market demand, closely follow industry trends and customer preferences, and update product portfolio with proper planning. • Carry out small-scale pilot promotions and make timely adjustment accordingly.
	Intellectual property risks: • Without effective patent protection, the Company's innovative technologies may be threatened by unauthorized use or imitation by competitors, affecting the Company's market competitiveness and commercial interests.	Medium- to long-term	Low	• Strengthen intellectual property registration and protection, and apply for technology patents in a timely manner. • Establish and improve the intellectual property protection system, sign confidentiality agreements with employees, suppliers and partners, and take timely measures against identified incidents of intellectual property rights infringement to safeguard the Company's rights and interests. • Plan to purchase intellectual property-related insurance to mitigate the possible economic losses caused by intellectual property risks.
Opportunities	Policy support: • To promote enterprises' innovative capabilities, the government may introduce relevant support policies, such as subsidies, tax incentives, and financing support. If the Company's technological innovation initiatives meet relevant criteria, the Company can access to funding and resource support and may be granted to help the Company reduce its operating costs.	Short-term	Medium-High	• Closely follow industry policies for applicable supports, invest in the technological fields that align with government policy trends, and actively respond to government policy requirements.
	Market opportunities: • The Company actively promotes technological innovation and strengthens the commercialization of technological achievements, which helps improve productivity and competitiveness, leading to increased revenue, as well as helps explore new markets or enter new industry fields, expanding market share of the Company.	Medium- to long-term	High	• Promote technological innovation, continuously strengthen the training of R&D and market research personnel, effectively facilitating the commercialization of technological achievements.

Focusing on building a strong Hi-Tech Enterprise and Provincial Enterprise Technology Center, Bohui Paper continuously enhances its innovation capabilities. The Company actively optimizes innovation policies and mechanisms to stimulate the innovative vitality of enterprises and achieve high-level technological self-reliance and organic growth. The Company actively seizes the development opportunities of consumption upgrading and the trend of lightweight packaging, focusing on technological innovation on biobased materials and deep processing of fibers. Meanwhile, the Company further intensified the research and development of environmentally friendly products, such as lightweight products, "paper instead of plastic" products, and "carbon neutral" products, offering customers more sustainable product options and promoting the enabling packaging upgrade that are environmentally friendly, safe and hygienic.

The Company continues to optimizes its R&D management system, formulating and implementing a series of management policies and normative documents such as the *Technology Center Management Policy*, the *Technological Innovation Achievement Management Policy*, the *New Product Development Control Procedures*, and the *New Raw Material Development Control Procedures*, continuously enhancing the Company's R&D management, innovation capabilities, as well as the innovation enthusiasm of technological personnel. In addition, the Company has formulated the *R&D Funding Investment Accounting System* and the *Management Measures for Auxiliary Accounts of R&D Expenses* to ensure the sufficient and effective allocation, and well-regulated use of R&D investments.

The Company makes significant investments in technological R&D activities each year, primarily sourced from self-raised funds. R&D investments have been used for the trial development of new products, research and promotion of new technologies and cleaner paper making processes, as well as the procurement of related equipment. In 2024, the total R&D investments for Bohui Paper amounted to RMB675 million, accounting for 4% of its revenue from the main businesses. As of the end of 2024, the Company employed 728 technical personnel, accounting for 12.37% of its employees.

Management of Impacts, Risks and Opportunities

The Company comprehensively manages the impact, risks and opportunities of technological innovation through a systematic mechanism for risk identification, assessment, response and monitoring, focusing on the alignment of innovation projects with strategic goals and technological feasibility. The Company has also established a dynamic monitoring metrics system. The Company continuously tracks internal and external macro changes and makes timely adjustments to its innovation strategies accordingly, ensuring the steady advancement of its technological innovation initiatives.

Risk identification

- Use the PESTEL analysis framework (covering six dimensions: Political, Economic, Social, Technological, Environmental, and Legal) in combination with technology radar policies to systematically identify influencing factors.

Risk assessment

- Assess the likelihood and impact of risks by applying risk matrix and technology maturity tools both quantitatively and qualitatively, and analyze the impact transmission mechanism.
- Develop indicators with relevant weights on five aspects: strategic alignment, economic value, technical feasibility, risk exposure, and policy sensitivity, providing the criteria for prioritizing relevant impacts, risks and opportunities.

Risk response

- Adopt risk avoidance, transfer and other methods to address risks, such as establishing a technical feasibility research laboratory, purchasing new material patent infringement liability insurance, and adopting an agile development model.

Risk monitoring and early warning

- Establish a critical risk indicator system, monitor indicator data, and provide timely early warnings and quick responses based on risk conditions.

Metrics and Targets

Strategic Targets for Technological Innovation

Technological Development Roadmap (2024-2028)

Biobased materials	Smart manufacturing	Sustainable packaging technique
By 2028, over 30% of the Company' revenue comes from biobased materials.	Complete the full digitalization transformation and deploy AI energy management systems by 2026.	Increase the production capacity of biodegradable materials to 10,000 tons per year by 2025.

Planned Allocation of R&D Investments:

The percentage of R&D budget will be increased from 3.5% in 2023 to **5% in 2026**, with a focus on **biobased materials (40%)**, **digitalization (30%)**, and **sustainable packaging technique (20%)**.

Targets for Product Innovation

Short-term targets (1-2 years)

Complete the development of low-carbon products and achieve small-scale commercial production; reduce carbon emissions in production by 5-10%.

Medium-term targets (3-5 years)

By 2030, reduce product carbon footprint by 30%, obtain product carbon neutrality certification based on market demand, and purchase carbon credits to offset carbon emissions to meet customer needs.

Long-term targets (5-10 years)

Build green energy projects, apply alternative green energy, and become a leader in low-carbon technology in the industry.

In 2024, Shandong Base of Bohui Paper implemented a total of 83 R&D projects focusing on the development and improvement of new processes, new products, and new technologies. Among them, the Key Technology Development for High-Quality Game Card Paper and Key Technology Development for Strategic White Kraft Packaging Paper were recognized as 2024 Shandong Province Enterprise Technology Innovation Projects, leading domestic industry peers. The Cigarette Cardboard Suitable for Transferring Aluminum Coating Stripping and Its Production Method project won the second prize for Light Industry Patent Achievement of China in 2024. In addition, Shandong Base of Bohui Paper also obtained the approval to act as the Biomass Recycling and Paper Replacement for Plastic Shandong Provinical Engineering Research Center.

Jiangsu Base of Bohui Paper implemented 34 R&D projects, such as the Research on the Impact of Fiber Morphology on Paper Performance, during the year, focusing on solving issues in production technologies, formulas and processes, meeting environmental protection needs, as well as ensuring continuous improvement of product quality. 22 patent applications were newly filed as a result. During the reporting period, the Company collaborated with the Institute of Chemical Industry of Forest Products, China Academy of forestry to carry out the research project Clean and High Yield Pulping Technology for Wood Processing Residues, which was selected as a demonstration forestry technology project with funding support from the central government. Jiangsu Base of Bohui Paper also obtained the title of Private Technology Enterprise of Jiangsu Province. Its project Application Technology of Glue-Starch for High-Grade Coated White Cardboard was included in the local technology development plan of Dafeng District, receiving a government grant of RMB400,000. Jiangsu Base of Bohui Paper also had two R&D platforms approved: a Provincial Engineering Research Center and an Enterprise Technology Center, and its "Baiou" brand was recognized as an Innovative Product in Yancheng City.

The Company actively advances the application for R&D patents, covering various aspects such as the R&D of pulping technology, formulation development, process improvement, and equipment modification for product production, achieving comprehensive protection of its R&D results. As of the end of 2024, the Company has obtained a total of 180 authorized patents, including 53 invention patents, 116 utility model patents, as well as 11 assigned invention patents. Application for another 61 patents are currently pending. Among the invention patents, there were 53 invention patents related to the main businesses of the Company.



Indicator	Unit	2022	2023	2024
Number of authorized patents obtained (at year end)	case	95	132	180
Among them: Invention patents	case	21	39	53
Utility model patents	case	74	86	116
Appearance design patents	case	0	0	0
Assigned invention patents	case	0	7	11
Invention patents related to main businesses of the Company	case	21	39	53
Number of patent applications pending (at year end)	case	52	59	61

Product Innovation Achievements

The Company continues intensify its innovation initiatives focusing on improving the product quality and innovative features of paper and cardboard products, upgrading its product portfolio to include a greater number of high value-added specialty paper products and new types of cardboard products. In 2024, the Company developed multiple functional paper products in response to specific market needs, including high-end game cardboard, high-end water-free paper cup base paper, fluorine-free high oil resistance cardboard, natural color paper cup paper, eye-protecting paper, and food cardboard. Meanwhile, the Company also achieved the technological breakthrough in seed latex technology, achieving independent research and development of seed latex. The Company actively responds to the national "Zero Plastic" policy, accelerating the development of "paper instead of plastic" products. It has developed environmentally friendly coated white cardboard technology that meets the "Zero Plastic" requirements. The Zero Plastic paper cup paper product developed by the Company pioneered the use of water-based coatings in zero plastic paper cups globally. The innovation effectively reduced the production costs of Zero Plastic paper cup paper, creating significant incentive for the application of Zero Plastic products and continuously mitigating the environmental impacts of its products.



Bohui Paper “Zero Carbon” Product Series

Zero Carbon aseptic liquid packaging board

Used for food packaging, and has product carbon footprint assessment certification, product carbon neutrality certification, as well as QS, FSC, ISO 22000, and FSSC 22000 certifications.

Zero Carbon food-grade coated kraft cardboard

Used for food packaging under ambient, refrigerated and frozen environment, and has product carbon footprint assessment certification, product carbon neutrality certification, as well as QS, FSC, ISO 22000, and FSSC 22000 certifications.

Zero Carbon offset printing paper

Used for high-speed printing, and has product carbon footprint assessment certification, product carbon neutrality certification, and FSC certification.

Zero Carbon copy paper

Passed CFCC/PEFC Forest Certification.

In 2025, the Company will further intensify its development efforts in Zero Carbon products and technological upgrades, as well as the development of the EPP Zero Plastic paper cup paper product. The EPP product is free from plastic and fluorescent agents, and can be recycled into pulp for paper making or composted for degradation, achieving more efficient utilization of resources.



Breakthrough in Aseptic Liquid Packaging Paper Technology

Case

Bohui Paper successfully achieved the breakthrough of the core technological barrier for aseptic liquid packaging paper production with continuous technological innovation and green production practices. The Company invested over RMB40 million to implement intelligent upgrades and transformations on the PM1 production line, and carried out full-process quality control and technological innovation , which included" raw material screening - system cleaning - process optimization - finished product inspection". The Company also overcame the technical challenge of meeting sterile-grade standards with the independently developed spore control production technology. As a result, an aseptic liquid packaging paper product with characteristics such as high strength, lightweight, waterproof, impermeable, and antibacterial properties was successfully developed and achieved commercial production. In addition, the technological team has also successfully developed the unbleached needle wood pulping technology, which allowed the Company to expand into the global liquid packaging kraft cardboard market with the production of high-strength unbleached aseptic liquid packaging paper.



Intellectual Property Protection and Patent Management

The Company attaches great importance to the role of intellectual property in corporate development. Accordingly, a dedicated Intellectual Property Office was established with professional staff to focus on intellectual property-related activities, such as filing patent applications and issuing patent bonuses. The Company continuously optimizes its intellectual property management system, implementing standardized intellectual property quality control procedures and strict patent application review processes. The Company's *Patent Management Policy* clearly outlines the relevant management responsibilities, patent ownership regulations, application approval procedures, patent protection measures, and reward mechanisms of patents. In 2024, the Company issued a total of RMB198,700 in patent rewards to employees, effectively stimulating their innovation enthusiasm.



Digital-intelligent Transformation

Bohui Paper comprehensively advances its digital-intelligent transformation strategy, empowering production processes and business processes through technological innovation, achieving significant improvements in product quality, production efficiency, and management effectiveness. In 2024, the company's digital-intelligent transformation focused on building a base management model platform, deepening data analysis and comprehensive application, promoting the implementation of smart digital projects, and strengthening the cultivation of smart digitalization talents. The Company launched a number of intelligent projects, including systems, dashboard displays, report displays, and message push, covering various scenarios such as production, finished products, logistics, and safety, improving production and operational efficiency with optimized information flow and decision-making efficiency.

Bohui Paper has established the Digital-intelligent Transformation Implementation Team, with the heads of each department as the primary responsible persons regarding their digital-intelligent transformation efforts. The Implementation Team held monthly meetings to discuss project progress, coordinate resource allocation, and address difficult issues to accelerate the implementation of digital-intelligent transformation project. In 2024, Shandong Base and Jiangsu Base of Bohui Paper completed 47 and 44 digital intelligence projects, respectively.

The Company attaches great importance to the cultivation of digital intelligence talents, promoting employees in the Information Technology Department to obtain data analyst qualifications, and encouraging them to cultivate agile development thinking and strong response capabilities. Meanwhile, the company fully leverages the advantages of MBOS Management System to carry out various competitions such as the Digital Transformation knowledge competition, programming design competition, intelligent construction challenge, multidimensional report data analysis challenge, artificial intelligence application competition, and network knowledge competition, as well as seminars on topics like document encryption upgrades, PC encryption, and AI smart vision system alarm notifications, creating a strong learning atmosphere that encourages employees to compete with, learn from, match with, and help each other to excel in growing their digital intelligence capabilities.

Digital-intelligent Transformation Projects of Bohui Paper (Partial)

EUDR data traceability project

To meet the requirements of the *EU Deforestation-free Regulation,* the Company developed the EUDR data traceability project to ensure data traceability back to the forest for paper and pulp products marketed to Europe.

Roller and spare parts system development project

The system can analyze spare parts lifespan, formulate part replacement plans, and analyze the impact on production operations and quality.

Deep application of the PI system

Deepen the application of the PI system, achieving customized data statistics and analysis for each machine based on its parameter configuration diagrams and process verification tables. The system is expected to save over 426 hours of work per month after going live.

Breakpoints elimination project for finished products

The Advanced Transportation Management System covers 14 steps from weighing, registration at distribution point, to finished product shipment. The implementation of the dark shipment process plan for finished product can significantly improve overall operational efficiency by reducing 9.5 operational steps.

Drone inventory

Apply advanced drone 3D modeling technology to implement intelligent inventory of raw materials such as wood chips, coal, and raw salt, achieving more accurate measurement, higher inventory efficiency, and greater operational safety.

AI Smart Vision

Apply the "video surveillance + AI intelligent recognition" model to the comprehensive management of personnel, equipment, vehicles, materials, and production facilities, achieving real-time monitoring, early warning, and timely effective management of various safety hazards, further enhancing the safety management capabilities of the Company.

Information Security and Customer Privacy Protection

The Company has established a series of regulations, including the *Information Security Management Regulations, Network Management Security Standards, Information Classification Standards, Access Control Security Standards, Encryption Management Security Standards,* and *Information System Security Management Policy,* and ensures that all employees are aware of and comply with them. In 2024, the Company continued to optimize its information security strategy and management system, comprehensively updating and optimizing existing standards to effectively ensure the secure and reliable operation of its information systems and data assets. In 2024, the Company had no occurrence of any information security incidents or customer privacy breaches.

The Company has formulated and implements the *Network Security Incident Emergency Response and Reporting Policy,* which specifies the classification standards, governance structure, security prevention measures, emergency response measures, and reporting mechanisms for network security incidents, providing institutional safeguards to strengthen the Company's network security protection system.

Main measures for network security incident emergency response of Bohui Paper

1	Establish network emergency and operation maintenance working groups	• Established a Network Emergency Working Group, with a senior management staff appointed as the chair. The working group consists of personnel from the Information Technology Department. The working group has developed a robust management system and implementation measures with specific management mechanisms, clearly defined responsibilities and duties, and detailed measures and processes. • Established a Network Operation Maintenance Working Group, consisting of personnel from the Information Technology Department, to ensure reliable network operation and information security.
2	Strengthen cyber information review	• Any information release must have designated responsible personnel, prior review, and proper security precautions in place, such as log retention, security authentication, real-time monitoring, and protection against hacking and viruses. • Established an effective antivirus mechanism, timely updating antivirus software and the virus database.
3	Implement a cyber security duty responsibility system	• Set up an emergency hotline with superior department, telecommunications, and law enforcement authorities, prompting reporting any anomalies to the emergency response team and relevant authorities.
4	Enhance emergency readiness	• Propose and timely implement rectification plans regarding identified cyber security hazards to ensure a trusted network environment.
5	Ensure hardware security	• Strictly implement prevention and protection measures for server rooms and outdoor network equipment regarding hazards such as fire, theft, lightning, and rodent damage, and immediately activate the emergency self-rescue mechanism when an incident occurs.

The Company regularly conducts information security inspections, such as clearing USB port usage rights for computers, conducting database recovery tests, and performing inspections of the server room, and continuously optimizes the disaster recovery mechanism to ensure data security and recoverability. The Company organizes cyber security emergency drills from time to time to enhance its preparedness regarding security incidents. In 2024, the Company contracted a third-party professional institution to conduct vulnerability analysis and further strengthen its system security monitoring and vulnerability remediation mechanism. The Company organized both online and in-person training on cyber security for IT personnel to enhance their cyber security protection capabilities, and for all employees to raise their cyber security awareness, aiming to comprehensively improve the overall cyber security protection of the Company by reducing cyber security risks related to human factors.

Equal Treatment of Small and Medium-sized Enterprises

The Company strictly implements a universal payment policy. Partner enterprises are paid following contract clauses regardless of their sizes, with no overdue payment allowed. As of the end of 2024, the Company had no overdue unpaid payment owed to small and medium-sized enterprises.

Indicator	Unit	2024
Accounts payable (including notes payable) at year end	RMB10,000	434,707.60
Proportion of accounts payable (including notes payable) to total assets at year end	%	19.35
Amount of overdue payment at year end	RMB10,000	0
Amount of overdue payment owed to small and medium-sized enterprises at year end	RMB10,000	0

Environmental

Cleaner Production for a Shared Green Future



Environmental Management

In 2024

Bohui Paper invested a total of RMB**534** million in environmental protection

Bohui Paper always regards "practicing green, ecological, and sustainable development and building green garden-style factories" as a primary task, continuously optimizing environmental management system, strengthening environmental risk control, and ensuring better environmental management performance. The Company strictly adheres to state environmental protection laws and regulations in its operations, establishing specific environmental management targets, formulating comprehensive environmental management policies, and ensuring the effective implementation of various environmental protection measures. The Company has integrated the concept of green development into every aspect of its production and operation, continuously optimizing production processes to reduce energy and resource consumption and minimize greenhouse gas emissions. By introducing and promoting energy-saving and environmentally friendly technologies, the Company vigorously implements energy-saving and environmental protection projects, striving to build a modern environmentally friendly enterprise with advanced technology, clean production, circular economy, and high efficiency.

In accordance with national standards such as GB/T 24001 environmental management system, Bohui Paper has established an environmental management structure with the general manager of the Company as the first person in charge, the Environmental Protection Department, the environmental protection leaders of each production unit, and the production front-line environmental protection personnel to perform specific environmental protection tasks. Shandong Base and Jiangsu Base of Bohui Paper have both passed the ISO 14001 Environmental Management System Certification.

In 2024, the Company formulated the *Management Regulations for Major EHS Hazards* and the *Major EHS Information Reporting Management Regulations,* covering the aspects of environmental protection, safety, and fire prevention. The *Management Regulations for Major EHS Hazards* outline 12 categories of major environmental hazards with relevant management norms. All units and employees are required to carry out self-check, report findings, and take effective control measures accordingly to actively eliminate these hazards in a timely manner. The *Major EHS Information Reporting Management Regulations* standardizes the information reporting processes for reporting major events related to environmental protection, and actively encourages employees to report such issues with an incentive mechanism. In April 2024, the Company conducted a company-wide identification and impact assessment of environmental factors, identifying risk factors as well as proposing relevant control measures. In addition, a series of targeted trainings were organized to help the departments enhance their environmental risk management capabilities. In 2024, the Company has no incident of any administrative or criminal penalties from regulatory authorities due to environmental violations.

Bohui Paper's Environmental Governance Targets for 2024

- **Zero** environmental pollution incidents ✓
- "Three Wastes" emissions **comply with national and internal control standards, and there are no unusual odors on-site** ✓
- Environmental problem rectification rate: **100%** ✓
- Environmental protection facility operation rate: **100%** ✓
- Coverage rate of employee environmental education and training: **100%** ✓



Responding to Climate Change

Bohui Paper actively responds to China's national strategy of "carbon peaking and carbon neutrality" and continuously optimizes its climate governance framework and carbon management System, strengthening carbon management capacity building, monitoring greenhouse gas emissions, deepening carbon management practices, and promoting energy-saving and carbon reduction in the industrial chain.

Governance

Carbon Management Guidelines of Bohui Paper

Strictly comply with and implement laws, regulations, and related requirements, actively practice the "dual carbon" action, optimize product structure, create green and low-carbon paper products, reduce GHG emissions, continuously improve carbon management performance, and achieve green and low-carbon development of paper products.



The Company continues to strengthen its climate governance efforts. Both Shandong Base and Jiangsu Base of Bohui Paper have established their respective Carbon Peaking and Carbon Neutrality Management Working Committee. Chaired by general manager, the Committee involves the directors of each department, and has an executive director or executive vice director in charge of the overall coordination of carbon peaking and carbon neutrality management and ensuring the implementation of the carbon peaking and carbon neutrality strategy of the Company. Under the Committee, each base also has established a dedicated Carbon Peaking and Carbon Neutrality Management Office, which is responsible for promoting the implementation of carbon reduction initiatives, including carbon emission accounting and reporting, carrying out carbon reduction actions, promoting product carbon footprint verification and carbon neutrality certification, coordinating carbon trading and carbon asset management, as well as organizing employee training for carbon reduction capacity building. In 2024, the Company established a Carbon Management Team, which is responsible for setting carbon management-related targets and formulating the relevant action plans.

The Company continuously optimizes its carbon management system, which covers the key aspects such as carbon emission monitoring, carbon asset management, carbon trading, and the implementation of carbon neutrality initiatives. This management system complies with the requirements of the *Carbon Management Systems - Requirements with Guidance for Use (T/CIECCPA 002-2021)* and has passed the relevant third-party certification. In 2024, the Company revised the Carbon Management System manual, focusing on enhancing the organizational development for carbon management.

The Company has established and implemented the *Carbon Management Training Control Procedure* to ensure adequate professional skills of personnel related to carbon management with adequate education and training opportunities. The Company continuously enhances the carbon awareness raising and carbon management capabilities of employees through measures such as education and trainings, and exchanges and communications of carbon-related topics, as well as the optimization of relevant employee assessment and incentive mechanisms. In 2024, the Company organized trainings for carbon management personnel on carbon management systems, with all participants obtaining the Greenhouse Gas Internal Auditor Certificate.

Strategy

Risks and Opportunities		Impact Timeframe	Impact Level	Response Measures
Risks	**Physical risks (short-term risks):** • Increased frequency and probability of extreme weather events such as extreme heat, extreme precipitation, floods and typhoons may cause equipment failures, supply chain and business interruptions, as well as personnel safety risks, leading to increased operating costs and lower revenues. • The exacerbation of extreme weather risks may force the Company to increase its insurance coverage, resulting in increased insurance expenses.	Short-, medium-, and long-term	Medium	• The Company regularly inspects its production and operation facilities for safety hazards and ensures their timely rectification, upgrades and renovates facilities and equipment in a timely manner, and attaches great importance to ensure adequate disaster prevention and mitigation materials reserves. • The Company provides risk prevention and response training on extreme weather events to all employees, including the use of fire-detecting equipment, emergency response and evacuation self-rescue knowledge, and lightning disaster and flood prevention during the flood season, continuously enhancing their capabilities to deal with extreme weather event risks. • Each production base purchases relevant insurances annually to effectively transfer and mitigate the operational risks and potential economic losses caused by climate-related disasters.
	Physical risks (long-term risks): • Rising sea levels or prolonged high temperatures may damage production equipment, threaten employee safety, and disrupt supply chain stability, leading to production interruptions and revenue declines. To this end, the Company needs to increase investment for reinforcing facilities and equipment in coastal areas to withstand high temperatures, which will increase operating costs accordingly. • The frequent occurrence of extreme weather events and continuous temperature warming will increasingly impact the ecosystem, potentially affecting the stable supply of timber and wood pulp, leading to increased raw material procurement costs.	Long-term	Medium-High	• The Company ensures that only traceable and legally sourced wood chips and wood pulp are procured, continues to increase the procurement of raw materials with forest management certification, and actively encourages its suppliers to improve their sustainable forestry management. • The Company continues to intensify its energy conservation and carbon emissions reduction initiatives, and improve the comprehensive utilization efficiency of water resource and waste, gradually reducing the dependence on natural resources.
	Transition risks (policy risks - compliance): • As the government shifts its reduction focus from energy consumption and intensity to carbon emission and intensity, state and local governments are expected to introduce stricter low-carbon policies and regulations in the future, which may lead to an increase in the Company's compliance costs. **Transition risks (policy risks - carbon market mechanism):** • As China gradually expands the coverage of the carbon market, the Company may be included in the national carbon emission trading market, and a tightening of carbon quotas may lead to increased compliance costs.	Short-, medium-, and long-term	Medium-High	• The Company continuously follows the trends of greenhouse gas-related regulations and standards, regularly conducts carbon management capability training to improve the climate governance awareness of relevant personnel, ensuring the effective implementation of relevant policy requirements. • The Company continuously optimizes its energy management system, and optimizes energy efficiency and reduces carbon emission intensity by conducting energy audits, encouraging energy-saving innovation proposals, and implementing technological transformation projects, systematically enhancing its capabilities to respond to future changes in climate policies.

Risks and Opportunities		Impact Timeframe	Impact Level	Response Measures
Risks	**Transition risks (market risks):** • As consumer and customer become increasingly aware of environmental issues, the market demand for products with sustainable certifications and environmentally friendly attributes will have significant increase. Failing to timely develop high-quality products that align with this green consumption trend may result that the Company misses out on important market opportunities and faces operational risks such as declining market competitiveness and revenue.	Medium- to long-term	Low-Medium	• The Company has obtained green product certifications, such as the "Carbon Neutral" certification and the China Environmental Labeling Product Certification, for some of its products. In 2024, seven products of the Company, including coated cardboard, white cardboard, food-grade coated white cardboard IBP, food-grade non-coated white cardboard, coated white cardboard IBP, coated food cardboard GCU, and uncoated white cardboard PCM, passed the product carbon footprint declaration verification. • The Company continues to promote product lightweight innovation and the R&D of alternative uses of "paper instead of plastic", striving to provide customers with more sustainable paper-based packaging solutions.
	Transition risks (technological risks): • The Company's existing technology and production equipment may no longer meet new environmental protection standards, facing the risk of premature elimination. • During the low-carbon transition, the Company needs to increase investment in the R&D of new technologies. New technologies may carry risks of instability or failure, which could increase operational costs.	Medium- to long-term	Medium	• The Company continues to promote targeted energy conservation projects, aiming to lower the unit consumption of energy and resources such as electricity, steam, and water, continuously intensify low-carbon technology R&D and innovation while focusing on reducing the R&D and implementation costs of green technology.
	Transition risks (reputational risks): • The environmental performance of paper companies such as energy utilization and forest resource consumption directly affects their brand image. If the Company fails to take effective management measures, it may face scrutiny from stakeholders, which could impact its brand reputation.	Short- to medium-term	Low	• The Company continuously optimizes its carbon and energy management system to accelerate the transition to a green and low-carbon economy, and actively strengthens information disclosure on climate change response to enhance operational transparency.
Opportunities	**Resource efficiency:** • By continuously improving resource utilization efficiency, the Company can effectively reduce energy consumption per unit capacity and resource consumption, thereby contributing to the optimization of its operating costs.	Short-, medium-, and long-term	Medium	• The Company continuously innovates on production processes, gradually improving resource recycling and utilization efficiency through process re-engineering and technology upgrades.
	Energy sources: • The Company can steadily achieve advance its emission reduction targets and effectively reduce energy procurement expenditure and overall operating costs through measures such as implementing energy-saving initiatives, and greater utilization of renewable energy.	Short-, medium-, and long-term	Medium	• The Company has established and continuously optimizes the energy management system, implements energy-saving technology upgrades, effectively reducing comprehensive energy consumption. Meanwhile, it actively intensifies the utilization of renewable energy to continuously optimize its energy consumption structure.
	Products and services: • As the low-carbon consumption trend continues to grow, the Company innovates and develops low-carbon products, and includes carbon footprint information on product labels, which helps to improve market competitiveness, meet customers' needs for environmentally friendly products, and create new revenue growth opportunities.	Medium- to long-term	Medium-High	• The Company actively promotes the development of environmentally friendly products, such as "Carbon Neutral" products and "paper instead of plastic", meeting growing market demand for sustainable products through innovative green solutions.

In order to systematically respond to the risks and opportunities brought by climate change, the Company strictly adheres to and implements state laws and regulations, formulates carbon management policies, implements "carbon peaking and carbon neutrality" actions, and continuously improves its carbon management performance. Meanwhile, the Company continuously optimizes product portfolio with intensified R&D of green and low-carbon paper products, accelerating the industry transition towards a more sustainable development model. In 2024, the Company invested a total of RMB38.373 million in energy conservation and emission reduction technology transformation and equipment energy efficiency optimization, creating a cost reduction totaling approximately RMB63.899 million.

Jiangsu Base of Bohui Paper actively applies clean energy, with both distributed wind power and distributed photovoltaic power projects planned. It plans to invest RMB140 million to build a distributed wind power project with a planned total installed capacity of 22.5 MW. The project can generate approximately 63 million kWh of green electricity per year, equivalent to the energy saving of 180,000 tons of standard coal and the carbon dioxide emissions reduction of 40,000 tons of carbon dioxide equivalent. Jiangsu Base also plans to invest RMB138 million to build a distributed photovoltaic project utilizing 340,000 square meters of its factory rooftop. With a planned total installed capacity of 45 MW, the project is expected to generate approximately 50.85 million kWh of green electricity per year, equivalent to the energy saving of 150,000 tons of standard coal and the carbon dioxide emissions reduction of 32,000 tons of carbon dioxide equivalent.

Shandong Base of Bohui Paper plans to invest RMB225 million to build a distributed photovoltaic project, utilizing 320,000 square meters of factory rooftop and 330,000 square meters of idle land. With a planned total installed capacity of 75 MW, the project is expected to generate approximately 93.75 million kWh of green electricity per year, equivalent to the energy saving of 33,8000 tons of standard coal and the carbon dioxide emissions reduction of 93,500 tons of carbon dioxide equivalent.

In 2024

Investment in energy conservation and emission reduction technology transformation and equipment energy efficiency optimization

RMB**38.373** million

Estimated cost-saving from energy-saving technological transformation projects

RMB**63.899** million

Management of Impacts, Risks and Opportunities

The Company continuously optimizes its climate risk management system and has formulated the *Risk and Opportunity Identification and Evaluation Control Procedure* to provide a comprehensive implementation guidance covering the full product lifecycle as well as the various aspects of its operations. This procedure is based on a systematic analysis of internal and external environments, as well as the expectations and demands of the stakeholders of the Company. With a closed-loop management mechanism including risk identification, assessment and evaluation, control measures, information communication, and audit verification, the procedure has effectively enhanced the climate risk response capabilities of the Company, allowing it to dynamically manage its climate change risks.

Risk identification

- Systematically identify the impacts, risks and opportunities presented by climate change in areas such as business strategy, service models, management system, compliance requirements, and stakeholder expectations using methodologies such as process analysis, risk forecasting, and regulatory benchmarking.

Risk assessment

- Categorize risks into high-priority risks that require active response and general risks that can be addressed by routine measures by assessing the likelihood and severity of risk occurrences using the direct judgment method and the tabular methods. Risk assessment criteria is based on relevant compliance requirements, greenhouse gas-related management system standards, as well as the requirements set by Company management.

Risk control

- For the greenhouse gas management risks assessed that need to be actively addressed, various departments shall implement control measures, such as avoiding, accepting, eliminating, or changing the likelihood and severity of the risks, in order to reduce the risk level.

Risk update

- Regularly evaluate and update the greenhouse gas-related risk control plan in accordance with operational changes, such as production process improvement, equipment upgrade, and control measure optimization, ensuring risk management is optimized in sync with the business growth of the Company.

Metrics and Targets

GHG Emissions of Bohui Paper*

Indicator	Unit	2022	2023	2024
Direct (Scope 1) GHG emissions	tCO_2e	53,192.24	59,287.11	54,805.44
Indirect (Scope 2) GHG emissions	tCO_2e	4,161,677.13	3,984,013.60	3,756,587.63
Other indirect (Scope 3) GHG emissions**	tCO_2e	1,505,603.75	2,164,154.56	1,081,566.48

*The 2022, 2023 and 2024 GHG emissions data of Shandong Base and Jiangsu Base are verified in accordance with the ISO 14064-3:2019 *Greenhouse Gases - Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements*. The 2024 GHG emissions data of Shandong Base are internal estimated data of the Company, not yet certified by a third party, and the verified data will be disclosed in the 2025 ESG report. The 2024 GHG emissions data of Jiangsu Base has passed third-party verification.

**Other indirect (Scope 3) GHG emissions data for 2022 and 2023 include data of Shandong Base and Jiangsu Base of Bohui Paper, while the GHG emissions data for 2024 only include Jiangsu Base.

Cleaner Production

Bohui Paper fully implements the requirements of state environmental protection policies and regulations, vigorously promotes clean production, continuously deepens the comprehensive management of energy and resources, strengthens control of pollutant emissions and discharges, and steadily enhances its green development performance to achieve a win-win result between production efficiency and environmental benefits.

Energy Management

The Company continues to strengthen its energy conservation and consumption reduction management mechanism, establishing a dynamically updated list of energy regulations to ensure operational compliance. The Company has established an energy management system based on the *Energy Management Systems-Requirements with Guidance for Use* (GB/T 23331-2020) and the *Energy Management System-Requirements Certification for Pulp and Paper Plants* (RB/T 118-2014). In February 2024, the Company conducted an internal audit of its energy management system regarding system compliance and implementation effectiveness. Problems identified were timely rectified accordingly. In March 2024, the Company conducted a management review of its energy management system, and the review results showed that the system meets the standard requirements in terms of sufficiency, suitability, and effectiveness. The Company also completed a supervision audit of its energy management system and issued a review report accordingly. Various production departments also conducted energy reviews to identify their major energy consumption, types and structures of energy consumption, major energy-consuming equipment, mapping energy flow diagrams and energy measurement network diagrams, as well as opportunities for improving energy efficiency. Bohui Paper has passed ISO 50001 Energy Management System Certification.

The Company has established an energy consumption metrics system, with indicators such as comprehensive energy consumption per unit of product, as well as the consumption of energy, water, natural gas, and steam per unit of product. The Company also sets energy consumption indicators and energy efficiency parameters for various processes, and implements daily monitoring and recording of its energy use. Through daily supervision and inspection, assessment of energy consumption target achievement, and recognition of advanced energy-saving efforts, the Company continuously strengthens the energy-saving awareness of all employees. In 2024, Jiangsu Base executed energy-saving upgrades through 16 measures—such as high-efficiency motor replacements and optimized management—cutting production energy use by 22,002.12 tons of standard coal and reducing CO_2 emissions by 54,125.21 tons. In 2024, Shandong Base of Bohui Paper effectively reduced energy consumption and carbon emissions in production processes by implementing a series of energy-saving technological transformation projects, achieving an annual energy saving of approximately 734.02 tons of standard coal, which is equivalent to the carbon dioxide emissions reduction of 3,043.88 tons.



Smart Energy Management Platform of Jiangsu Base

Case

Jiangsu Base of Bohui Paper actively promotes the construction of its smart energy management platform, effectively enhancing energy management efficiency with functions such as energy use monitoring and information collection, energy analysis and comparison, energy-using equipment management and maintenance, and energy use optimization and control.

Energy use monitoring and information collection

Real-time monitoring of the operating status of energy systems, including the supply and consumption of various types of energy such as electricity, gas, and heat.

Energy use analysis and comparison

Analyze energy data to timely identify energy efficiency anomalies and improvement opportunities.

Energy-using equipment management and maintenance

Manage and maintain key energy-using equipment through real-time monitoring of equipment status and performance parameters to timely identify equipment failures and anomalies.

Energy use optimization and control

Optimize and control energy use based on actual operational status to avoid either energy waste or shortage.

Major Energy Saving Projects Achievements in 2024 of Jiangsu Base

The CMP workshop deployed China's first 2,500 kWh direct-start permanent magnet motor and permanent magnet coupling drive system. With a comprehensive electricity saving rate of approximately **13%**, the system can reduce power consumption by **15.29 kWh** per ton of pulp. A single motor can reduce power consumption by **1.65 million kWh** annually, creating an energy saving of **491.7 tons** of standard coal and a carbon dioxide emissions reduction of **1,064.41 tons** of carbon dioxide equivalent.

The CMP workshop collects secondary steam generated from five high-concentration grinders. After re-evaporation and purification using a reboiler, and steam is reused at the evaporating section of the alkali recycling workshop for waste liquid concentration. Calculated at **40 tons** of steam collected per hour, this practice is estimated to help reduce carbon dioxide emissions by **96,000 tons** per year.

Utilizing residual heat from the desulfurization tower exhaust gas to heat water to be treated, reducing steam consumption, with an annual heating capacity of **478,400 GJ**, creating an energy saving of **15,600 tons** of standard coal and a carbon dioxide emissions reduction of **40,900 tons** of carbon dioxide equivalent.

Implemented the CMP waste liquid comprehensive utilization project. Waste liquid is concentrated and burned, which recovers condensate, chemicals, and heat for reuse. The new process is estimated to reduce COD emissions in wastewater by **420 tons per day** and sludge discharge by **70 dry tons per day**, achieving not only zero wastewater discharge, but also near-zero discharge of alkali through recovery. The system reduces odor generation and ensures the harmless treatment of wastewater, providing an effective solution for treating CMP waste liquid. With an estimated recovery of **31,875 tons** of alkali and an estimated power generation of **44.1873 million kWh** of electricity per year, this technology has been included in the *National Encouraged Development Protection Technologies* by the Ministry of Ecology and Environment.

Major Energy Saving Projects Achievements in 2024 of Shandong Base

A clean water pipe was added in the PM2 workshop to directly provide cooling for the air compressor, reducing the use of cooling water pumps, creating an energy saving of **324,000 kWh per year**, equivalent to the energy saving of **39.82 tons** of standard coal per year, and a carbon dioxide emissions reduction of **180 tons** of carbon dioxide equivalent.

The PM5 workshop shuts off the short fiber thermal dispersion system for pulping when producing products other than the 120g paper, creating an energy saving of **2,124 tons** of steam per year, equivalent to the energy saving of **216 tons** of standard coal per year, and a carbon dioxide emissions reduction of **696 tons** of carbon dioxide equivalent per year.

The cardboard pulping workshop achieved an energy saving of **2.74 million kWh per year** through measures such as blade tooth shape optimization of grinders, using smaller motors for separating sifting, and using a 132KW variable frequency motor for the CMP dilute water pump motor, equivalent to the energy saving of **337 tons** of standard coal per year and a carbon dioxide emissions reduction of **1,526 tons** of carbon dioxide equivalent per year.

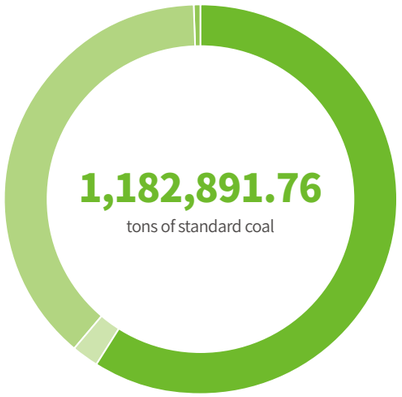
The calcium carbonate workshop achieved an annual energy saving of **1.15 million kWh per year** without affecting the operation of the wet mill through measures such as reducing the number of grinding discs in the wet mill, and using 1.2 to 1.4mm zirconia beads, equivalent to the energy saving of **142 tons** of standard coal per year and a carbon dioxide emissions reduction of **641 tons** of carbon dioxide equivalent per year.



Energy Consumption of Bohui Paper

Indicator	Unit	2022	2023	2024
Diesel	tons	2,043.43	2,440.64	2,463.26
Natural gas	10,000 cubic meters	2,200.74	2,192.73	2,087.35
Purchased electricity	10,000 kWh	311,759.25	322,744.87	370,536.34
Purchased steam	GJ	17,884,798.74	17,114,573.09	20,456,256.27
Comprehensive energy consumption per unit of product (Shandong Base: white ivory cardboard, cultural paper, gypsum cover paper, boxboard paper)	ton of standard coal/ ton of paper	0.25	0.24	0.23
Comprehensive energy consumption per unit of product (Jiangsu Base: white ivory cardboard)	ton of standard coal/ ton of paper	0.25	0.24	0.23
Comprehensive energy consumption per unit of product (Jiangsu Base: white ivory cardboard)	ton of standard coal/ ton of pulp and paper	0.19	0.19	0.18

Energy Mix of Bohui Paper in 2024



Purchased steam
697,558.34
tons of standard coal
58.97%

Natural Gas
26,355.06
tons of standard coal
2.23%

Purchased electricity
455,389.16
tons of standard coal
38.50%

Diesel
3,589.21
tons of standard coal
0.30%

Water Resources Management

Bohui Paper actively builds a water-saving enterprise. In accordance with national standards and normative documents such as the *Guidelines for Evaluating the Rational Utilization of Water in Enterprises* and the *Evaluating Guide for Water Saving Enterprises,* the Company has established a series of water resource management policies such as the water-saving management policy and the water-saving target responsibility policy. The Company strictly supervises production and non-production water usage, performance of key water-consuming equipment, greening water usage, and water metering, and strictly carries out pipeline inspection and maintenance, continuously strengthening its water resource management and water utilization rate.

In 2024, the Company implemented a water-saving renovation project, resulting in an annual water savings of 7 million cubic meters. Shandong Base of Bohui Paper implemented a number of water saving measures: reducing its PM5 machine's freshwater usage by 148,000 tons by replacing freshwater with white water for the dilution water for aluminum sulfate, reducing its PM5 machine's freshwater usage by 108,000 tons by switching the high-pressure water for roller to an intermittent mode, and its PM8 machine's water usage by 20,400 tons by increasing the condensate recovery rate from 50% to 80%. Jiangsu Base of Bohui Paper achieved a water saving result of 40 cubic meters per hour by replacing freshwater with white water for the second dilution process of the dry strength agent.

Indicator	Unit	2024
Total water consumption	tons	4,011,173.50
Water consumption intensity per unit of product (Shandong Base: white ivory cardboard, cultural paper, gypsum cover paper, boxboard paper)	tons/ton of paper	1.10
Water consumption intensity per unit of product (Jiangsu Base: white ivory cardboard)	tons/ton of paper	0.66
Water consumption intensity per unit of product (Jiangsu Base: white ivory cardboard)	tons/ton of pulp and paper	0.50

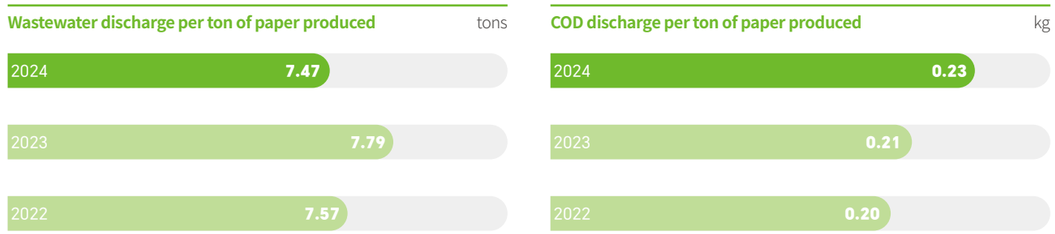
Pollution Prevention and Control

Wastewater and Sewage Treatment

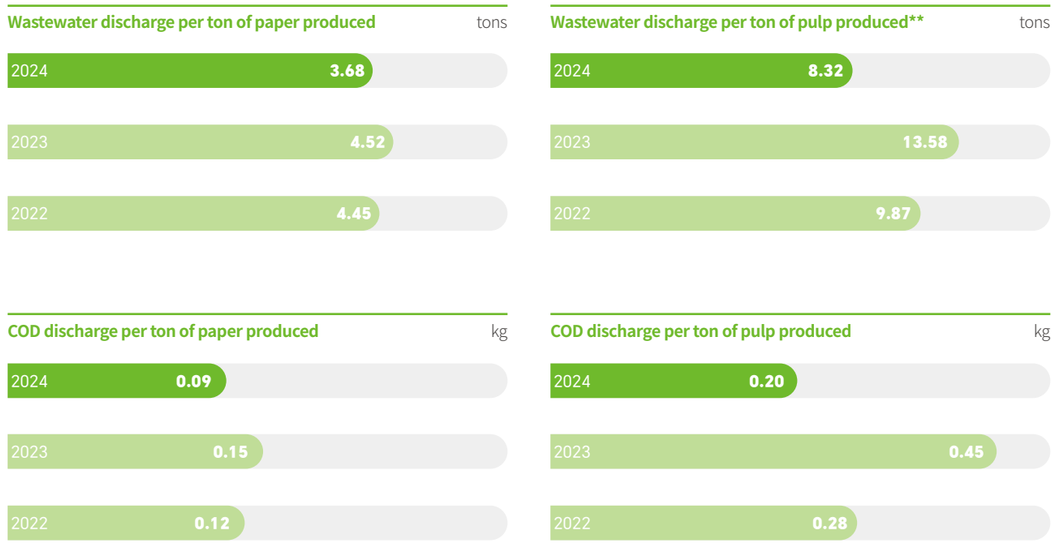
The Company consistently implements strict wastewater discharge management in accordance with the requirements of relevant laws, regulations and standards, such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution,* the *Discharge Standard of Water Pollutants for Pulp and Paper Industry* and the *Regulation of Urban Drainage and Sewage Treatment,* and continuously optimizes its wastewater treatment through a combination of source control, process supervision, and end treatment, ensuring that the water quality of its discharge consistently meets the requirements of relevant standards. In 2024, the Company did not incur any significant administrative penalties or criminal liabilities due to wastewater or sewage discharges; and no major defects were identified in the sewage monitoring plan and risk management measures of the Company.

The Company implements a mechanism for separating rainwater and sewage discharge in accordance with its *Regulations on Rainwater and Sewage Separation Management.* Rainwater is discharged into rivers through rainwater pipelines, while sewage is collected through sewage pipelines and sent to sewage treatment facilities for treatment before being discharged. To strengthen sewage discharge management, the Company has formulated the *Drainage Management Regulations,* setting internal control standards for key indicators such as chemical oxygen demand (COD), ammonia nitrogen concentration, suspended solids concentration, and pH value. The policy also requires regular sampling inspections. The assessment results are linked to the performance evaluation of relevant personnel to ensure sewage is effectively treated in strict compliance with relevant requirements.

Trends in Key Wastewater Pollutant Indicators for Shandong Base of Bohui Paper (2022-2024)



Trends in Key Wastewater Pollutant Indicators for Jiangsu Base of Bohui Paper (2022-2024) *



*According to the *Discharge Standard of Water Pollutants for Pulp and Paper Industry (GB3544-2008)*, the limit value of wastewater discharge per ton of paper produced is 20 tons and the limit value of COD discharge per ton of paper produced is 1.6kg. For pulp and paper co-production enterprises, the limit value of wastewater discharge per ton of pulp is 40 tons and the limit value of COD discharge per ton of pulp produced is 3.6kg.

**In 2023, Jiangsu Base of Bohui Paper started producing food cardboard, which has higher quality requirements for pulp. Therefore, the amount of water used for pulp washing increased, leading to a significant increase in the wastewater discharge per ton of pulp produced.

Solid Waste Management

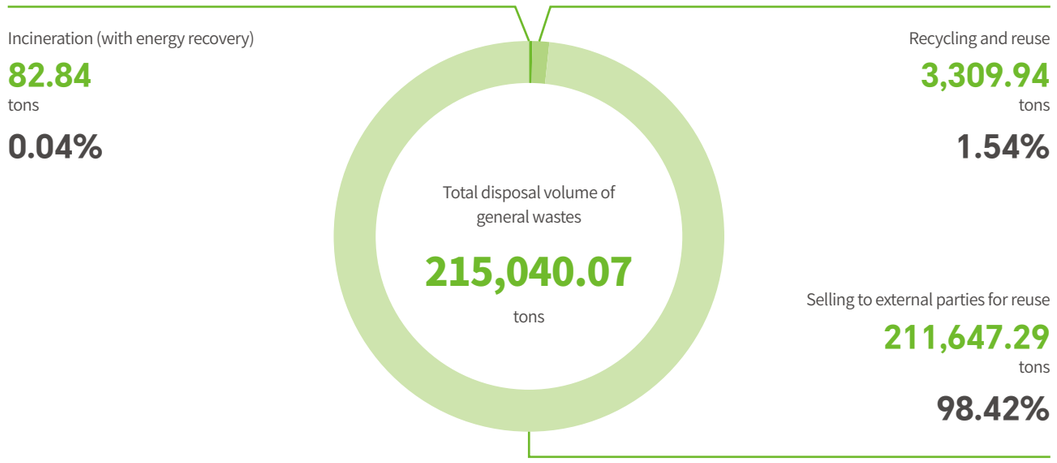
In accordance with the laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, and the *Standard for Pollution Control on Hazardous Waste Storage*, Bohui Paper has formulated and implemented the *Management and Disposal Policy for Solid Waste and Hazardous Waste*, and manages general solid wastes and hazardous wastes according to the principles of "reduction, recycling, and harmless disposal of waste", to ensure the compliant and safe disposal of waste. In 2024, solid wastes in both production bases were all disposed of up to standards.

In 2024, the Company formulated a *Hazardous Waste Management Plan,* and revised the *Solid Waste Management SOP* and the *Solid Waste Management Policy* to further standardize its waste treatment process. The Company has established a robust responsibility system for the prevention and control of solid waste pollution, covering the entire process of production, storage, utilization, and disposal. Meanwhile, an industrial solid waste management ledger system is also implemented to accurately record information on the category, quantity, destination, storage, utilization and disposal of its industrial solid waste to ensure full traceability.

The general wastes of the Company mainly include pulp residue, sawdust, waste plastics, waste paper clips and waste metal, which are usually handled directly by the Company or in cooperation with qualified disposal units. The Company disposes its solid waste with solid waste incineration circulating fluidized bed boilers, with a daily processing capacity totaling up to 1,533 tons per day. In 2024, the Company effectively reduced the generation of waste plastics, wood chips, pulp residue, and waste paper clips by optimizing the sourcing of raw materials. To strengthen the management of general waste, the Company conducted on-site communication with suppliers to explore solutions for managing the transportation of general waste, ensuring compliance with measures such as vehicle tracking, monthly transportation reports, and weighing data verification. The Company also attaches importance to the utilization of waste materials. During the reporting period, a total of 120 tons of waste materials were utilized, reducing procurement costs by RMB1.4778 million.

The hazardous wastes of the Company mainly include waste engine oil, waste lead-acid batteries, waste paint, waste UV lamps, waste activated carbon, and waste mineral oil, which are handed over to qualified third-parties for disposal.

Solid Waste Disposal of Bohui Paper in 2024



Waste Recycling and Reuse

Indicator	Unit	2022	2023	2024
Comprehensive utilization rate of general waste (%)*	%	100	100	100

*The comprehensive utilization rate of general waste uses the definition of the *T/CPA 004—2023 "Zero Waste Factory" Evaluation Requirements - Papermaking Industry*, which is the ratio of the amount of general industrial solid waste comprehensively utilized to the total amount of general industrial solid waste generated (including the comprehensive utilization of waste from previous years). Comprehensive utilization rate of general waste (%) = the amount of general industrial solid waste comprehensively utilized / (the total amount of general industrial solid waste generated during the reporting period + the amount of general industrial solid waste from previous years comprehensively utilized) x 100.

Air Pollutants Control

In accordance with the laws, regulations, and standards such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Standard for Fugitive Emission of Volatile Organic Compounds*, the *Emission Standards for Odor Pollutants*, and the *Regional and Integrated Emission Standard of Air Pollutants*, Bohui Paper continuously optimizes its waste gas management procedures. The Company has formulated management polices such as the *Regulations on Organized Waste Gas Emission Management* and the *Regulations on Fugitive Waste Gas Emission Management* to strictly control waste gas emissions across various links such as collection, treatment and monitoring. In addition, the Company implements a daily inspection mechanism for waste gas collection and treatment facilities to ensure that waste gas emissions consistently comply with environmental requirements.

In 2024, the Company set achieving emission standards for the entire year as its atmospheric pollutant management target, which has been completed. By employing desulfurization and denitrification facilities, the concentration of major pollutant emissions was significantly brought down, the Company ensures consistent compliance with state emission standards. The Company also carried out production process upgrades and adopted improvement measures such as building enclosed raw material yard and wood chip site, effectively reducing the fugitive emissions of pollutants. In 2024, the Company did not receive any complaints or feedback from employees or community residents regarding air pollution issues, and there were no significant administrative penalties or criminal liabilities related to air pollutant emissions issues. No significant flaws were identified in the Company's air pollutant monitoring program and risk management measures.



Air Pollutant Emissions of Bohui Paper (2022-2024)

Air Pollutants	Unit	2022	2023	2024
SO_2 *	tons	0.103	0.533	0
NO_X *	tons	24.38	9.66	0
Soot **	tons	5.644	2.083	8.383
VOCs *	tons	0.036	2.012	0.828

*The alkali recycling project and the sludge incinerator of the Company are managed by Shandong Bohui Group from 2024, so the air pollutant emissions data for 2024 do not include the SO_2, NO_X, and VOCs emissions data related to the alkali recycling project and sludge incinerator.

**In 2024, certain discharge outlets at the Jiangsu base monitored high particulate matter concentrations, and soot emissions increased. The Jiangsu base will strengthen control measures to reduce soot emissions.

Ecosystem and Biodiversity Protection

Shandong Base of Bohui Paper is situated in an area with outstanding eco-environment. In July 2024, black-winged stilt and egrets were sighted roosting in nearby areas. These two bird species have high requirements for habitat, so their activities directly reflect the healthiness of the local ecosystem. The black-winged stilt is one of the indicative species of aquatic environment, while egrets were known as a "monitor for air and water quality" due to its sensitivity towards the air, water, and food conditions of its habitat. The sighting of activities of these two bird species demonstrates that Shandong Base of Bohui Paper has a healthy ecosystem with uncontaminated water bodies and good air quality.

Jiangsu Base of Bohui Paper is located within a 25-kilometer radius of the Jiangsu Dafeng National Nature Reserve for Elks. Wild elks are often sighted around the plant. In addition to managing the environmental impact of its operations, the Company also focused on collaborating with government authorities on wildlife protection, making position contribution to biodiversity conservation.



» Herons inhabit Shandong Base of Bohui Paper

Green Logistics

Bohui Paper vigorously promotes green logistics solutions, striving to reduce its supply chain carbon footprint and accelerate the green logistics transformation through measures such as route optimization and the use of new energy vehicles. In addition, the Company also actively avoids logistics resource consumption and waste by adopting measures such as reducing packaging materials, strengthening the recycling of packaging materials, and using wooden pallets to replace plastic pallets.

Transportation Route Optimization

The Company has effectively reduced both operating costs and material usage as well as vehicle fuel consumption by increasing the direct shipping ratio of raw materials, expanding direct shipping locations, and reducing internal short-distance transportation. In 2024, the direct shipping rate of wood pulp for Shandong Base of Bohui Paper reached 81%, an increase of 10.96 percentage points compared to 2023. The direct shipping rate for domestic waste paper reached 94%, an increase of 7.73 percentage points compared to 2023. The raw material direct shipping rate for Jiangsu Base of Bohui Paper reached 61%, an increase of 8 percentage points compared to 2023.

The Company actively follows the government initiative for developing low-carbon and green logistics, using port resources comprehensively and adopting more efficient modes of transportation, such as "road to rail" and "road to water". In 2024, Jiangsu Base of Bohui Paper optimized its logistics routes, adding rail transport to its export shipping options, which reduced the proportion of direct road transportation. Shandong Base of Bohui Paper adjusted the docking strategy of the wood chip vessels based on actual docking and shipping scenarios, shortening the road transport distance from 370 kilometers to 30 kilometers.

In 2024

The direct shipping rate of wood pulp for Shandong Base
81%
Compared to 2023, increased by
10.96 percentage points

The direct shipping rate for domestic waste paper
94%
Compared to 2023, increased by
7.73 percentage points

The raw material direct shipping rate for Jiangsu Base
61%
Compared to 2023, increased by
8 percentage points



Use of New Energy Vehicles

In October 2022, the Company launched the "oil-to-electric forklift" project, gradually replacing fuel forklifts with electric ones. In 2024, the proportion of diesel-powered forklifts went down by 43% compared to 2023. In addition, a greater proportion of LNG-powered vehicles and electric vehicles were also used in short-haul cargo transportation.

The Company also pays attention to the procurement and operation of new energy vehicles of its logistics service providers, actively encourages them to prioritize using new energy vehicles for short-haul transportation. Shandong Qilu Sinotrans has fully switched to electric vehicles for short-haul transportation between the logistics yard to the mill.

Social

Stay People-Oriented and Working Together to Create Inclusive Value





Respecting Employee Rights

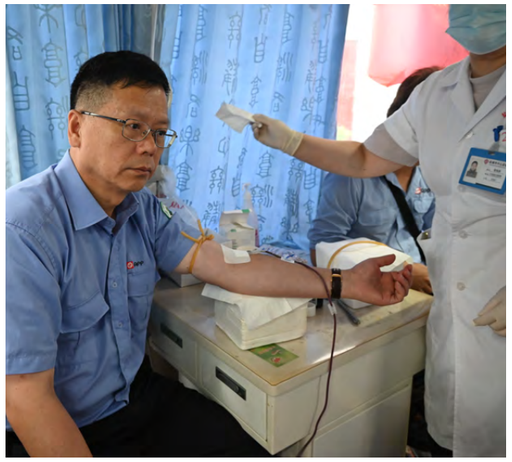
Upholding the value of "strivers are the fundamental force", Bohui Paper takes employee rights protection as the cornerstone of corporate development, and is committed to building a fair, inclusive, and diverse workplace. The Company keeps optimizing its employee participation mechanism, establishing smooth communication channels for listening to employees' voices, inspiring team innovation vitality, promoting transparent and democratic decision-making, and facilitating the mutual growth of employees and the Company.

Human Rights Protection

Bohui Paper is committed to integrating respecting and protecting human rights into its corporate development philosophy. The Company strictly complies with relevant 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*, the *Civil Code of the People's Republic of China*, as well as the International Labour Organization (ILO) fundamental conventions ratified by China, such as the *Equal Remuneration Convention*, the *Minimum Age Convention*, the *Worst Forms of Child Labor Convention*, the *Forced Labor Convention*, and the *Abolition of Forced Labor Convention*, to ensure that employees' basic rights are fully protected. The Company implements a comprehensive labor contract management system. The Company strictly forbids illegitimate labor practices such as child labor or forced labor, rigorously controls the recruitment process, and stipulates that all employees must be over 18 years old. Every employee is required to sign contracts and relevant agreements with the Company upon entry, specifying the legitimate rights and interests of employees with clarity and transparency. The labor contract signing rate of the Company stays at 100%.

The Company is committed to creating an equal and diverse working environment, and prohibits discrimination based on factors such as gender, age, ethnicity, and religious beliefs. To deepen the protection of employee rights at the institutional level, the Company has established the *Discrimination and Harassment Prevention Control Procedures*, ensuring that the principles of fairness, justice, and equality are upheld in all aspects such as recruitment, training, assessment, promotion, salary, benefits, and daily management.

The Company attaches great importance to the protection of female employees' rights and interests, adhering to the principle of equal pay for equal work, ensuring that male and female employees have the right to receive equal remuneration for performing the same job. The Company does not refuse to hire, terminate contracts, or reduce the salary of female employees based on reasons such as marriage, pregnancy, childbirth, or breastfeeding; does not assign female employees; does not perform particularly heavy physical labor or work that is particularly harmful to their health; and provides special protection for female employees during menstruation, pregnancy, childbirth, and breastfeeding periods.





Employee Engagement

Bohui Paper has formulated the *Freedom of Association and Collective Bargaining Control Procedures*, which explicitly states that it does not interfere with employees' freedom of association and collective bargaining rights after working hours. To fully protect employees' right to know and supervise on corporate affairs, the Company holds regular employee representative conferences every year, inviting employees to participate in important decision-making processes and encouraging them to provide suggestions for the Company's operation and development. The Company also ensures timely understanding of employees' opinions and feedback through various channels such as suggestion boxes and face-to-face meetings. For constructive opinions and suggestions, the Company will consider and adopt them fully, and will provide corresponding rewards to employees who make suggestions based on actual conditions.

Talent Retention and Development

Bohui Paper places great importance on the training and growth of every employee, continuously optimizing talent development and management mechanisms. The Company thoroughly implements the MBOS cultural philosophy, promoting employees' cohesion and centripetal force, and stimulating their sense of ownership. Meanwhile, the Company provides employees with clear career development paths and a wealth of training and educational opportunities to help them fully realize their potential and achieve their career dreams.

Human Resources Risk Management

Bohui Paper has formulated a robust human resource risk management system strictly in compliance complies with relevant laws, regulations and other normative documents, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Basic Standards for Enterprise Internal Control*, and the *Supporting Guidelines for Enterprise Internal Control*, as well as with reference to the framework of the *Guidelines for Comprehensive Risk Management of Chinese Central State-owned Enterprises*, ensuring the effectiveness and professionalism of the Company's human resource management through risk information collection, risk assessment, risk response, and supervision and rectification mechanisms.

To effectively prevent the risk of talent loss, the Company regularly organizes discussions with department heads at all levels to deeply understand employee's demands and expectations, and to timely identify and resolve potential issues. Meanwhile, the Company conducts regular human resources data analysis to track employee turnover rates, and formulates targeted intervention plans for departments or employee groups with abnormal turnover rates. In addition, the Company vigorously enhances its talent retention mechanism with measures such as retention allowances and compensation and benefits system optimization, striving to fundamentally reduce the risk of talent drain by enhancing employee satisfaction and building a strong sense of belonging.

Corporate Culture Construction

The Company encourages all employees to actively participate in improvement initiatives through cultivating its unique Management by Olympic System (MBOS) culture, laying a solid foundation for the long-term development of the enterprise by continuously enhancing organizational cohesion and innovation, In 2024, the annual MBOS proposal collection reached a total participation of 5,143 person-times, collecting 14,804 valid proposals in total. A total of 834 improvement projects were carried out during the year, generating a total return of RMB1.32 billion.

During the reporting period, the Company organized various activities such as skill competitions, sharing sessions, technological innovation selection competitions, and excellent team competitions. These events and activities not only effectively enhanced employees' professional skills but also created a good spirits of "comparing, learning, catching up, helping, and surpassing" among employees. The Company held a total of 245 skill competitions during the year, with a cumulative participation of 4,758 person-times, and 870 individuals received relevant awards.

Upholding the principles of fairness and justice, the Company has established a series of reward mechanisms, including performance bonus management measures for employees and management staff, reward measures for indicator competition, reward measures for breakthroughs, and management measures for departmental funds. These reward mechanisms are applied to encourage high performers while motivating underachievers to improve. The Company regularly updates and optimizes these mechanisms to ensure effective incentives for employees.



Talent Development and Cultivation

In order to establish an open, fair, and standardized employee promotion system, and ensure the smooth promotion channels for employees, the Company has established a "dual channel" for career development with a management track and a profession and technology track. Employees are expected to integrate their personal career goals with their own interests, organizational needs, as well as the Company's strategic development to select their most suitable professional pathway, achieving a "win-win" result for the development of both the Company and its employees. In addition, the Company provides flexible internal job adjustment opportunities, encouraging employees to switch positions according to their development needs and explore more suitable career paths.

The Company attaches great importance to employee education and training, formulating a series of training management systems and policies, such as the *Management Measures for Employee Training*, the *Management Measures for New Employee Training*, the *Management Measures for Management Trainee Training*, the *Internal Lecturer Management Measures*. The Company implements a series of carefully designed training programs to comprehensively enhance the management skills and professional technical capabilities of employees at all levels.

To enhance the management skills of employees

A multi-level and comprehensive training plan is adopted. For new employees, the Company provides onboarding training to help them quickly integrate into the corporate culture and master basic job skills. All employees are subject to regular professional quality trainings to enhance their overall quality and professional skills. College graduates are offered a management trainees program, accelerating their growth into the backbone employees through theoretical study, practical training, and discussions with senior management staff. Management personnel can participate in dedicated training programs for supervisors and managers, honing their strategic vision and decision-making abilities with advanced management courses and leadership trainings.

To enhance the professional skills of employees

The Company focuses on job-specific technical ability trainings based on the job technical ability model. The Company formulates detailed training plans based on the technical requirements of different job positions and invites industry experts to teach, ensuring that employees can acquire the latest technical knowledge and operational skills. In addition, a dedicated training program for key production position talent was launched, building a talent pool of highly skilled talents for relevant key positions through targeted training and skill competitions.

The Company has established a training system that combines online and in-person methods to flexibly meet the learning needs of employees. The online learning platform provides rich learning resources, allowing employees to choose learning content at their own pace during their spare time, breaking the limitations of time and space. In-person training focuses on practical operations, team collaboration, and problem-solving skills development, helping employees better understand and apply the knowledge they have learned through face-to-face interaction and communication.



In 2024

Employee training coverage rate	Training sessions per employee
100%	**40.80** times

Employee Wellbeing and Care

The Company continuously optimizes its compensation and benefits system, including standard salary settings, incentive bonus settings, overtime management measures, business travel management measures, attendance management measures, performance evaluation methods, and secondary distribution methods for performance bonuses. The Company strictly complies with national laws and regulations, fully pays salary each month and contributes to all mandatory social insurance schemes for employees, such as retirement insurance, unemployment insurance, medical insurance, work injury insurance, maternity insurance, as well as housing provident fund and commercial insurance. Employees also enjoy a variety of other benefits such as congratulatory gifts, funeral subsidies, birthday red envelopes and medical expense support, and holiday benefits.

The Company has established multiple cultural and recreational clubs to encourage employees to participate in various leisure activities and explore their interests and hobbies. During the reporting period, various cultural and sports activities were organized, such as basketball games, tug of war competitions, outdoor team training, and flower arrangement. Also, Jiangsu Base of Bohui Paper organized cervical cancer and breast cancer screenings for female employees, raising their awareness of physical and mental health. Jiangsu Base also organized a number of other activities to comfort employees in difficulty during the Spring Festival, and employees with serious illnesses.







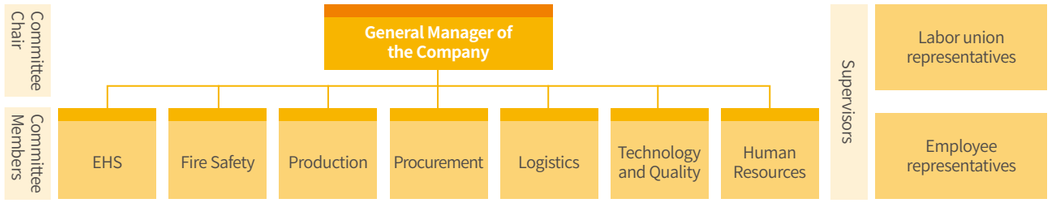
Health and Safety

Bohui Paper takes production safety as the cornerstone of healthy enterprise development. The Company has established a robust safety management system and policies, establishing a sound dual prevention mechanism of safety risk hierarchical management and safety hazards investigation and management. The Company also continuously cultivates a strong safety culture, and implements integrated safety management of contractors and external construction personnel, committed to creating a safe and healthy working environment for all workers.

Governance

The Production Safety Management Committee (hereafter referred as "the Safety Committee") is the highest decision-making body for production safety in Bohui Paper. Led by the general manager of the Company, the Safety Committee is responsible for organizing, guiding, and coordinating the implementation of various production safety tasks, researching and reviewing major production safety issues, organizing and implementing regular production safety inspections, and implementing company risk classification and control as well as hazard management. The Safety Committee has its members from various departments, including EHS, fire, production, procurement, logistics, technology and quality, and human resources. Labor union representatives and employee representatives are also included in the Safety Committee to ensure effective supervision of the Company's overall safety management. The Safety Committee meets quarterly to hear reports on safety management, study and analyze production safety performance, resolve major safety production issues, and make relevant decisions. Under special circumstances, ad hoc meetings can be convened to address urgent safety production issues. Production departments hold safety meetings monthly to analyze the major issues identified during the month and develop relevant solutions.

Organizational Structure of the Safety Management Committee



All safety management personnel of the Company have received adequate professional skills training and obtained relevant safety management qualifications. In addition, the Company employs registered safety engineers to provide professional guidance for safety system implementation support and on-site safety management. The Company formulates a training plan for safety management personnel at the beginning of each year, and conducts various safety education training activities according to the plan.

The Company fully implements a safety production responsibility system that covers all functional departments, all levels of management personnel, production technicians, and operational staff. Each department must sign a Safety Production Target Responsibility Letter along the reporting line, taking responsibility for safety projects within their own work scope. Meanwhile, safety production performance awards and penalties are evaluated based on the safety-related assessment system. Jiangsu Base of Bohui Paper conducts department-level safety responsibility assessments monthly, covering assessment items such as accident control, safety meetings, safety training, safety inspections and hazard rectification, emergency plans, safety systems, and operating procedures.

Strengthening the Organizational Structure for Safety Management

In April 2024, Shandong Base of Bohui Paper established the Firefighting Branch and the Electrical Branch to further enhance safety management in related fields.

The Firefighting Branch is responsible for participating in and formulating the fire safety responsibility system and management system, setting annual fire safety management targets and action plans; organizing fire safety awareness raising activities, training in firefighting skills, and conducting firefighting drills; providing suggestions and guidance for mill fire management; promoting the improvement of the mill's firefighting facilities; conducting daily inspections of key fire control areas in the mill, and participating in process supervision and result control of the construction of fire prevention projects.

The Electrical Branch is responsible for participating in the formulation of operating procedures and maintenance systems for electrical equipment; providing technical guidance and training for electrical equipment operators; participating in the preliminary design, review, and project evaluation of mill electrical equipment engineering projects; proposing rational suggestions for deficiencies in the mill's electrical usage and management; supervising and inspecting the electrical construction conditions at the construction site, and addressing any anomalies that arise in electrical engineering.

Strategy

Risks and Opportunities		Impact Timeframe	Impact Level	Response Measures
Risks	**Compliance risks:** • If the Company fails to strengthen safety and occupational health management in accordance with regulatory requirements, it may face regulatory penalties, leading to increased operating costs.	Short-, medium- and long-term	Low	• Closely follow, promote and learn recent policy and regulation trends, timely incorporate new regulatory requirements into the Company's management system, and adjust management measures to ensure that all safety operations are conducted in compliance with the law.
	Operational risks: • Failures in safety and health management could lead to safety accidents and occupational diseases among employees, resulting in personal and property damage, exposing the Company to compensation, fines, or work stoppage, thereby increasing its operating costs and reducing its revenue. • Safety management staff may become complacent after time with relaxed safety awareness, which could increase the likelihood of risk occurrence.	Medium-term	Medium-High	• Strictly adhere to the safety red line, strengthen safety management comprehensively, and effectively control and eliminate safety hazards. • Continuously enhance employee health and safety management by providing adequate personal protective equipment, conducting annual occupational health examinations, and testing for occupational disease hazard factors.
	Reputational risks: • In the event of a safety incident, there may be regulatory notifications and media reports, which could consequently affect the Company's reputation. If the incident is serious, it may also affect talent attraction and retention, leading to a decrease in productivity.	Medium-term	Medium	• Implement various measures to comprehensively enhance hazard control and on-site management, striving to eliminate safety incidents as much as possible.
Opportunities	**Operational Opportunities:** • Continuously improving safety and health management system and enhancing the safety of equipment and facilities can effectively reduce the likelihood of safety incidents, thus avoiding the risk of increased operational costs.	Short-, medium- and long-term	Medium	• The Company has obtained ISO 45001 Occupational Health and Safety Management System Certification, strengthening various safety management practices according to international standards to ensure the safety and health of all workers.

Adhering to the safety management policy of "safety first, prevention first, and comprehensive management", Bohui Paper strictly implements laws and regulations such as the *Labor Law of the People's Republic of China* and the *Work Safety Law of the People's Republic of China*. The Company has formulated and continuously optimized a series of management policies, including the *Production Safety Target Management Policy*, *Production Safety Responsibility Management and Assessment Policy*, *Production Safety Reward and Punishment Management Policy*, *Safety Education and Training Policy*, *Safety Operation Management Policy*, *Production Safety Inspection and Hazard Investigation and Rectification Policy*, and the *Contractor Safety Management Policies*, continuously strengthening the foundation of safety management. In 2024, the Company formulated the *Management Regulations for the "Three Violations" in Safety Production*, effectively reducing the occurrence of on-site "three violations" behaviors through strengthening both the inspections by safety personnel and departmental self-inspections.

Shandong Base of Bohui Paper has established a safety standardization system in compliance with national and local safety laws and regulations, as well as the *Evaluation Methods and Scoring Criteria for Safety Production Standardization in the Papermaking Industry* and its scoring standards, and the *Implementation Guideline of the Accident Hazard Identification and Rectification System in the Papermaking and Paper Products Industry*, and made the plan to apply for Level Three Safety Production Standardization Evaluation in 2025. Meanwhile, relevant *Occupational Health Management Policy* and *Labor Protection Supplies Distribution Management Policy* have been formulated in accordance with the requirements of the *Supervision and Administration Measures for Occupational Health Monitoring by Employers*, *Management Regulations for Occupational Disease Hazard Notification and Warning Signs by Employers*, and *Detailed Rules for the Occupational Disease Hazard Identification and Rectification by Employers.*

In 2024, the Company spent a total of RMB12.5033 million on safety and health, including providing employees with labor protection supplies needed for their positions, heatstroke medications, high and low temperature subsidies, and other safety-related expenses; conducting occupational disease hazard factor inspections and organizing employee occupational health examinations; carrying out fire safety rectification, regular maintenance of on-site safety equipment and facilities, and equipping comprehensive safety equipment and facilities. According to its work plan, the Company's total safety and health spending is expected to remain stable in 2025.

Management of Impacts, Risks and Opportunities

In order to identify the hazardous factors affecting safety within the Company, evaluate their risk levels, determine major risks, and effectively control, prevent, reduce, or eliminate these risks, the Company has formulated the *Risk Control Management Policy* in accordance with standards such as the *General Norms for Safety Standardization* (AQ 3013-2008), the *Classification and Code for the Hazardous and Harmful Factors in Process* (GB/T 13861-2009), and the *Recommended Practice of Hazard Identification Risk Assessment and Risk Controlment* (SY/T 6633-2005). In 2024, the Company formulated the *EHS Major Hazard Management Measures* and the *EHS Major Information Reporting Management Measures* to accurately assess and timely eliminate major safety hazards in production, as well as to ensure timely communication and reporting of incident information.

The Company comprehensively carries out safety hazards rectification through methods such as conducting hazard analysis of operational activities, identifying hazard source, assessing the probability and severity of risk factors, assigning dedicated personnel to carry out production site inspections, organizing department heads to conduct inspections quarterly, and urging timely rectification of hazards. Meanwhile, the Company has established the *Employee Safety Hazard Investigation Reward Policy* to fully mobilize all employees to actively participate in safety hazard investigation, and effectively prevent various production safety accidents through normalized preventive measures. In 2024, the Company's safety hazard rectification rate was 99.68%.

To minimize losses and social impacts caused by emergencies or emergency situations, the Company has developed special emergency plans for such as major hazard emergency plans and fire emergency plans, and integrated them into annual job training management. The Company regularly organizes competitions for full-time and part-time safety officers, and conducts emergency drills. These efforts have significantly enhanced the Company's emergency response capabilities, providing strong guarantee for preventing and mitigating major safety risks. In 2024, the Company conducted a total of 497 emergency drills, with a total participation of 2,600 people.

In 2024

Safety hazard rectification rate	Number of emergency drills conducted	Number of employees participated in emergency drills
99.68%	**497**	**2,600** person



Metrics and Targets

In 2024, the Company did not have any major safety production accidents and achieved its annual safety targets.

Safety Targets of Shandong Base of Bohui Paper

1. Work-related injuries/fatalities decreased by **50%** compared to 2023, reducing the number of accidents and the accident rate
2. **Zero** safety administrative penalties
3. **100%** coverage rate of safety training, with an average annual safety training hours per person exceeding **33.3 hours**
4. **100%** coverage rate of occupational health examinations
5. **100%** coverage rate of occupational disease hazard factor monitoring
6. Over **98%** qualification rate of various occupational disease hazard factors

Safety Targets of Jiangsu Base of Bohui Paper

1. **Zero** deaths, **zero** serious injuries, **zero** occupational diseases, **zero** fires
2. The injury rate is less than **0.2%** per thousand people
3. **One** or fewer occurrences of general property loss incidents, and **zero** major incidents

Indicator	Unit	2022	2023	2024
Employee safety training time	hours	151,612	190,404	250,160
Number of emergency drills	times	512	499	497
Total expenses of personal protective gear	RMB10,000	120.92	246.38	154.17
Number of work-related injuries of employees	person-time	18	21	14
Total expenses of work injury insurance for employees	RMB10,000	447.63	513.03	517.70
Total expenses of workplace safety liability insurance for employees	RMB10,000	234.92	229.86	229.07
Coverage of work injury insurance for employees	%	100	100	100
Coverage of workplace safety liability insurance for employees	%	100	100	100
Work-related fatalities of employees	people	1	0	0
Total lost worktime rate*	-	1,689.36	1,193.90	1,571.17
Lost-time injuries frequency rate**	-	1.33	1.65	1.48
Number of work-related injuries of contractors	person-time	1	0	0
Work-related fatalities of contractors	people	0	0	0
Total lost worktime rate of contractors*	-	2,735.52	0	0
Lost-time injuries frequency rate of contractors**	-	1.67	0	0

*Total lost worktime rate = (Total lost hours/Total hours worked in the reporting period) × 1,000,000

**Lost-time injuries frequency rate = (Number of lost-time injuries/Total hours worked in the reporting period) × 1,000,000

Production Safety Management Practices

Production Safety Capacity Building

In 2024, the Company initiated a weekly Production Safety Re-Education Training Class program, requiring violators of safety regulations to take re-training and re-education safety classes. In addition to a warning conversation, violators will be retrained on safety knowledge, typical violation operations, accident case studies, safety management regulations, and safety operating procedures. The program aims to enhance employees' safety awareness and reduce the risk of safety accidents. Meanwhile, the Company conducts monthly assessments of the effectiveness of safety training for employees, and requires those who fail the assessment to take retraining classes, ensuring the effectiveness of safety training.

Jiangsu Base of Bohui Paper organized a series of safety activities in the form of lectures, discussions, promotions, on-site inspections, and competitions, requiring each department to organize at least two safety activities each month. During the reporting period, Jiangsu Base organized a number of company-level safety activities, including safety knowledge competitions, forklift safety skills competitions, and special campaigns for confined spaces. The Company also actively promoted the construction of a safety culture by compiling safety knowledge teaching materials, training a team of safety culture instructors, and conducting awareness activities for safety culture, to help employees understand and practice the core values of safety.

Empowering Safety Management with Digitalization

The Company has launched an EHS hazard management module in its OA system, allowing all departments to report identified safety hazards online, reminding responsible persons to timely rectify and file rectification reports, achieving data-driven hazard management.

Shandong Base of Bohui Paper has implemented an intelligent forklift supervision system. All leased forklifts are equipped with features such as speed limiting, badge identification start authorization, and seatbelt restriction devices. At the beginning of 2024, the Company installed intelligent systems on the remaining 11 self-owned forklifts, equipping them with functions such as face recognition, speed limiting, and violation monitoring alarm, effectively ensuring the safe operation of forklifts.

Contractor Safety Management

The Company's safety management department strictly implements the contractor access management system, carefully reviewing contractors' business licenses, qualification certificates, construction contracts, and personnel documents. If any deficiencies are found, the business department shall assist the contractor in rectifying them until they pass the qualification review. The Company conducts pre-entry safety training for contractors passing the qualification review, and organizes all trainees to take a safety exam. Those pass the exam will be issued a Qualified Certificate of Entry Safety Education.

The Company has formulated the *Management Measures for Monthly Assessment of Outsourced Contractors* and the *Contractor Safety and Environmental Protection Management Policy* to strictly regulate the safety behavior of contractors during construction projects, effectively ensuring operational safety. The monthly assessment for outsourcing contractors is based on self-evaluation by contractors, scoring by business departments, and evaluation by the safety department. The unit with the lowest score will be subject to targeted rectification, and the project leader will be summoned at the outsourcing contractor meeting. Meanwhile, the safety management department conducts on-site supervision and inspection of outsourcing contractors, taking prompt measures on safety hazards and violations identified to prevent safety accidents. In addition, the contracting department regularly conducts safety education and training for contractors to continuously improve their safety operation capabilities.

In 2024, there were no safety incidents involving contractors in Bohui Paper.







Occupational Health Management Practices

The Company has formulated the *Occupational Health Management Policy* in accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* as well as related regulations and standards, continuing to optimize its occupational health and safety management system and strengthen the management of occupational disease prevention. Regarding organizational structure, the Company has set up an Occupational Health and Safety Committee, and designated the Workplace Safety Division as the implementation body. At each department, there are both full-time and part-time safety officers and dedicated/volunteer firefighters appointed, continually strengthening the occupational disease prevention capabilities of the Company.

The Company takes various measures to prevent safety incidents and the occurrence of occupational diseases, including regularly conducting special inspections of equipment and facilities to ensure that production equipment, safety facilities, and fire protection systems are operating normally; implementing annual testing of occupational disease hazard factors and organizing health examinations for frontline employees; strictly enforcing the labor protection supply management policies to ensure all employees wear them correctly; reinforcing position based safety trainings to ensure employees are familiar with operating procedures and possess the ability to identify safety risks; standardizing on-site management by setting up prominent warnings for occupational hazards; regularly conducting safety education training and implementing assessments to continuously improve employee safety awareness and protective skills.

In 2024, the Company did not experience any occupational disease incidents.

Product and Service Quality

Product Safety and Quality Management

Bohui Paper adheres to the concept of "customer-centered", focuses on customer needs, strictly controls product quality and safety, and ensures that the products produced meet high standards. The Company maintains smooth and efficient communication with customers, actively collecting and responding to customer feedback to promote continuous improvement in product and service quality, and consistently enhancing customer satisfaction.

Governance

The Board of Directors of the Company is the highest decision-making body and bears the ultimate responsibility for product safety and quality. The Company has established a Technical Center for targeted oversight regarding product safety and quality, which is responsible for formulating relevant strategic goals and policies, supervising compliance with legal regulations, ISO 9001 quality standards, forest management certification requirements, and other related requirements during the production process, and evaluating significant quality risks. The Company's senior management is responsible for the implementation of product-related strategies and daily management, including overseeing production processes, guiding the quality management department to establish a comprehensive control system, promoting third-party audit certification, and ensuring that the raw materials such as wood and chemicals provided by suppliers comply with relevant safety and environmental standards.

At the implementation level, the Technical and Quality Management Department is responsible for developing product inspection standards, conducting the three-stage inspections for raw material entry, production processes, and finished product shipment, and analyzing quality issue data to drive continuous improvement. The Production Department implements standardized operating procedures, monitors equipment and process parameters in real-time, and collaborates with the Quality Department to handle abnormalities and carry out rectification measures. In addition, the Company has a support and supervision mechanism, where the Audit Department regularly reviews the effectiveness of the quality system; the Compliance and Legal Department tracks changes in domestic and international regulations and standards; and the Human Resources Department organizes regular quality and safety training to enhance the overall quality awareness and skills of employees.

The Company organizes training sessions every month on product safety, customer complaint handling, product inspection skills, and instrument operation to enhance employees' professional skills, and invites experts to provide management skills training for frontline team leaders. In addition, the Company regularly organizes quality morning meetings, weekly quality meetings, weekly customer complaint meetings, monthly product performance review meetings, and ad-hoc meetings for major complaint improvements. In 2024, Shandong Base of Bohui Paper conducted targeted training on quality management systems, quality control methods, and quality tool applications for all employees, effectively enhancing the quality awareness and skill capabilities of employees.

The Company attaches great importance to performance assessment management and implements targeted improvement programs for identified product safety and quality issues. Shandong Base of Bohui Paper has established multiple assessment systems including customer complaint assessment management measures, paper product quality performance assessment measures, MBOS competition and assessment management measures, and technical quality management rewards and evaluation management measures. Jiangsu Base of Bohui Paper refines responsibilities at all levels according to the annual quality objectives, organizes weekly meetings to report on the achievement of goals, and conducts monthly assessments and reviews.

Strategy

Risks and Opportunities		Impact Timeframe	Impact Level	Response Measures
Risks	**Compliance risks:** • The country has strict standards and requirements regarding the safety and quality of products sold by enterprises. If the Company's products do not meet legal standards, it may face risks such as administrative fines, product recalls, and compensation, which may lead to increased operational costs.	Short-, medium- and long-term	Medium-High	
	Operational risks: • In the event of a major quality incident, such as customer production line shutdowns due to substandard product quality, there could be order losses and compensation risks, which are expected to have a negative impact on net profit by 1.5% to 2%.	Short-, medium- and long-term	High	• Establish and improve the product quality management system to strengthen quality control throughout the entire product lifecycle and provide customers with safe and healthy products.
	Reputational risks: • Product safety or quality issues may cause a reputation crisis for the Company that affects its market image and customer trust, leading to reduced revenue and investment opportunities.	Short-term	Low	
Opportunities	**Market opportunities:** • By providing high-quality products, the Company can establish a good brand image, enhance consumer and customer loyalty and satisfaction, which in turn helps to strengthen market competitiveness and increase revenue.	Short-, medium- and long-term	High	• Strictly implement quality standards while providing pre-sales, in-sales, and after-sales services, constantly improving product quality based on customer needs.
	Drive technological innovation: • To enhance product quality, the Company will continuously increase investment in technological R&D, accelerate the development process of new products, which may open up new markets, thereby achieving revenue growth. For example, the development of food-grade packaging paper is expected to contribute an additional profit of 5~8% of the total profit in 2024.	Short-, medium- and long-term	High	• Continuously strengthen R&D efforts, improve product performance while enhancing the green and healthy attributes of products, supporting the high-quality development of the sustainable consumption market.

Focusing on the core values of "green manufacturing, safety and reliability, and customer satisfaction", the Company has established a product safety and quality management system covering the entire product life cycle. The Company has passed the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System certifications, and completed the integration of these two systems with the ISO 45001 Occupational Health and Safety Management System in 2024, resulting in a year-on-year reduction of product defect rate by 15%. The Company has introduced a digital quality monitoring platform to achieve real-time data collection and analysis throughout the entire production process, with automatic detection coverage of key processes increasing to 95%, and developed a "Quality Risk Map" to effectively identify key risk points such as chemical residues and excessive microorganisms. During the reporting period, the Company completed the improvement projects of six high-risk processes.

Shandong Base of Bohui Paper comprehensively reviewed and optimized existing system policies based on the latest ISO 9001 Quality Management System standards and industry best practices, adding three new policies including the *Suppliers Assessment Method*, and revising five policies such as the *Production Process Quality Control Procedures*, further clarifying the quality responsibilities of various departments and positions, thereby enhancing the appropriateness and operability of the system policies.

In 2024, the Company invested RMB5.1486 million in product safety and quality. According to relevant work planning, the Company's annual investment in product safety and quality for 2025 is expected to have no significant change.

Management of Impacts, Risks and Opportunities

The Company adopts a systematic approach to identify and assess the impacts, risks and opportunities related to product safety and quality, including: defining the assessment scope, such as product types, production processes, and supply chains; collecting information from customer feedback, industry standards, regulatory requirements, and historical data; identifying factors that may affect product safety and quality through data analysis and expert consultation, and assessing the likelihood of occurrence and the impact of each factor; for high-priority factors, developing corresponding control measures, such as process improvement, testing enhancement, and supply chain optimization.

Main Processes for Product Safety and Quality Management

Supply chain management	• Establish a strict supplier evaluation and selection mechanism, inspect and test the samples of raw materials suppliers to ensure the quality of raw materials is stable and reliable. • Establish long-term cooperation with high-quality suppliers to jointly improve product quality.
Production process monitoring	• Strictly manage product safety and quality from the aspects of production processes, equipment status, and operating standards. • Utilize automated production equipment and information management systems to monitor key parameters of the production process in real-time and collect data. Take corrective measures promptly regarding identified anomalies.
Product testing	• Assign professional testing personnel and equip testing equipment and laboratories to conduct comprehensive testing of raw materials, semi-finished products, and finished products.
Continuous improvement	• Regularly hold quality analysis meetings to analyze the causes of quality issues in depth, formulate improvement measures, and track the effectiveness of the improvements. • Continuously improve product safety and quality management system to ensure its effectiveness and applicability.

Producing High-Quality Food Packaging Paper

Case

Paper products are increasingly used in people's lives. Market demand for paper with specific performance and applications is also continuously increasing. China is one of the major liquid dairy product markets in the world, where almost all dairy products require aseptic packaging, especially liquid milk. Bohui Paper aims to "create the most stable liquid packaging paper", and adopts various measures to ensure stable and reliable product quality that meets the stringent standards for aseptic liquid packaging paper, including strict control of raw material quality, establishing aseptic laboratories, upgrading and renovating the paper machine WIS system and microbial control system, and conducting multiple rounds of training for production line employees. The Company's aseptic liquid packaging paper has received widespread acclaim from customers since its launch. Since its mass commercial production started in May 2023, the order for this product has consistently remained at several thousand tons per month.



Metrics and Targets

The Company follows the performance of a number of indicators as internal management KPIs monthly, including the frequency of customer complaints per 1,000 tons of products, the complaint amount ratio, average handling time, and case closure rate for domestic and export complaints, and handling time of major complaints. In 2024, the Company did not experience any major incidents of product safety and quality liability, and there were no events requiring the recall of sold or in-transit products for safety and health reasons.

Indicator	Unit	2023	2024
Customer satisfaction rate (Shandong Base of Bohui Paper)	%	90.3	91.4
Customer satisfaction rate (Jiangsu Base of Bohui Paper)	%	88.2	90.9
Average response time for customer complaint	days	5.6	5.02
Complaint probability*	%	0.029	0.025
Incidents of product recalls	case	0	0

*The complaint probability is calculated based on the number of complaints received per 10,000 tons of products sold.

Customer Service and Communication

The Company has established a professional customer service team and a sound customer service workflow, emphasizing the development of online services and carrying out pre-sale, in-sale, and after-sale services comprehensively. The Company has established policy documents such as the *Handling Procedure for Quality Complaints of Paper Products* and the *Handling Procedure for Transport Complaints of Paper Products*, clarifying the processing procedures for various customer complaints to ensure timely and effective responses to customer complaints. The Company attaches great importance to customer feedback, takes the initiative to carry out regular customer visits, provides technical services and training for customers in response to common problems in the use of paper, and helps customers to understand and use paper scientifically. During the new product development process, the Company has established a complete system from top-level R&D design, production process optimization to sample process control based on actual market demand, ensuring comprehensive quality control and service support.

In 2024, the Company provided a total of 774 on-site technical services, offering professional answers to customer inquiries; held weekly quality analysis meetings; provided 45 training sessions for distributors, 246 training and technical exchanges with end users, and 120 technical exchange services. The Company conducted satisfaction surveys on brand, service, quality, and packaging logistics, with its 2024 overall satisfaction rate increasing by an average of 1.9% compared to 2023, with the greatest increase in service satisfaction.

The Company strictly implements a customer complaint response mechanism to ensure that all complaints are responded to and handled in a timely manner. For each customer complaint, the Company assigns sales and after-sales service personnel to follow up and provide on-site technical support and customized solutions to effectively protect customer rights. In addition, the Quality Assurance Department is responsible for the closed-loop tracking of quality improvement measures. The Company focuses on the timeliness of handling customer complaints, stipulating that domestic and export customer complaints have to be settled within 7 working days. Since 2022, the effective customer complaint handling time for Jiangsu Base of Bohui Paper has been consistently decreasing for three consecutive years. All customer complaint materials (including product samples, business documents, and test reports, etc.) are archived in a coded database for digitalized long-term storage, ensuring that the entire complaint handling process is traceable and verifiable.

The Company has established a sound product traceability management system, where each product is equipped with a unique barcode and certificate label. Through a digitalized system, precise traceability can be achieved throughout the entire process from production scheduling to warehousing. The Company also implements a strict *Product Recall Management Policy* to ensure that product quality is controllable throughout the entire process.

In 2024

Number of on-site technical services provided **774** times	Number of training sessions provided for distributors **45** times	Number of training and technical exchanges with end users **246** times
Number of technical exchange services **120** times	Overall satisfaction rate increasing by an average **1.9%**	

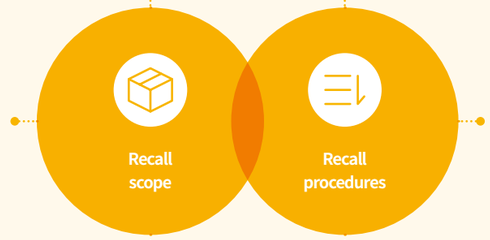


Product Recall Management of Bohui Paper

Products with safety hazards: For example, paper that contains toxic or harmful substances, which may pose a risk to human health.

Products with serious quality defects: For example, paper with insufficient strength that cannot meet normal usage requirements.

Other products that need to be recalled: For example, products with incorrect identification that may mislead consumers.



Initiate recall: Promptly initiate the recall process when a situation is discovered that requires a recall.

Release recall announcement: Make the recall announcement through official websites, media, and other channels to inform consumers about the relevant information regarding the products to be recalled.

Handling of recalled products: Handle the recalled products accordingly, such as storage or destruction, to prevent them from re-entering the market.

Social Philanthropy and Contribution

Adhering to the business principle of "developing the enterprise, giving back to society, benefiting the employees, and caring for communities", Bohui Paper has actively undertaken social responsibilities. Over the years, it has carried out diversified social philanthropy activities such as supporting community construction, targeted assistance to impoverished counties, poverty alleviation for students, making contributions to the harmonious development of society.

In 2024, Shandong Base of Bohui Paper visited the villager households in need in Yaoguo Village, donating RMB7,000 worth of daily necessities such as rice, flour, and cooking oil, and donated RMB20,000 to the Maqiao Experimental School to support its development. Shandong Base also prioritized the local agricultural cooperative in food supply procurement for its employee canteen, such as vegetables, meat products, and soybean products. Shandong Base's total support for rural revitalization reached RMB2.091 million in 2024.

In August 2024, Jiangsu Base of Bohui Paper organized a voluntary blood donation event, with over 50 employees participating. In September, Jiangsu Base organized employees to participate in the "99 Charity Day" fundraising event in Dafeng District, raising approximately RMB120,000 to support local charitable undertakings.

In 2024

Total investment in rural revitalization RMB**2.091** million	Number of people benefiting from rural revitalization **2,200** person	Employees volunteer hours contributed **1,320** hours
Number of employees participating in volunteer activities **180** person-times	Total external contributions RMB**140,000**	

ESG Performance

Governance and Economic Performance

Economic Performance

Indicator	Unit	2022	2023	2024
Operating income	RMB100 million	183.62	186.93	189.30
Total tax payment	RMB100 million	11.622	2.63	1.82
Net profit attributable to the shareholders of the listed company	RMB100 million	2.28	1.82	1.76
Net assets attributable to the shareholders of the listed companies	RMB100 million	65.18	66.69	68.00
Total assets	RMB100 million	227.79	221.76	224.69
Basic earnings per share	RMB/share	0.1767	0.1470	0.1422
Weighted average ROE	%	3.35	3.25	2.61
Social contribution per share	RMB	2.52	1.79	1.65
Total R&D investment	RMB100 million	7.43	7.18	6.75

Corporate Governance

Composition of the Board of Directors

Indicator	Unit	2024
Total number of board members	person	7
Number of executive directors	person	2
Number of non-executive directors	person	5
Number of independent directors	person	3
Number of male directors	person	7
Number of female directors	person	0
Number of directors aged 30 and below	person	0
Number of directors aged between 31 and 50	person	0
Number of directors aged over 50	person	7

Composition of the Supervisory Board

Indicator	Unit	2024
Total number of supervisory board members	person	3
Number of employee supervisors	person	1
Number of male supervisors	person	3
Number of female supervisors	person	0
Number of supervisors aged 30 and below	person	0
Number of supervisors aged between 31 and 50	person	1
Number of supervisors aged over 50	person	2

Anti-corruption

Indicator	Unit	2024
Total number of governance body members that have been informed about the anti-corruption policies and procedures	person	12
Percentage of governance body members that have been informed about the anti-corruption policies and procedures	%	100
Total number of governance body members that have received anti-corruption training	person	12
Percentage of governance body members that have received anti-corruption training	%	100
Total number of senior-level employees that have received anti-corruption training	person	17
Percentage of senior-level employees that have received anti-corruption training	%	100
Total number of middle-level employees that have received anti-corruption training	person	359
Percentage of middle-level employees that have received anti-corruption training	%	100
Toal number of line-level employees that have received anti-corruption training	person	5,508
Percentage of line-level employees that have received anti-corruption training	%	100

Suppliers

Indicator	2022	2023	2024
Total number of suppliers	2,783	2,860	3,074
Number of domestic suppliers (including Hong Kong, Macao, and Taiwan)	2,684	2,601	3,000
Number of overseas suppliers	99	259	74

Pulp Procurement Sources of Bohui Paper

Region	Unit	2022	2023	2024
China	%	9.18	14.78	22.28
Other Asia regions	%	48.97	48.45	39.91
North America	%	0	0.53	3.06
South America	%	21.42	22.65	19.01
Europe	%	20.43	13.59	15.74
Oceania	%	0	0	0.01

Sustainable Procurement

Indicator	Unit	2022	2023	2024
Total amount of wood chips purchased	tons	1,319,610.59	1,360,618.03	1,595,642.09
Amount of certified wood chips	tons	221,685.37	81,849.87	159,666.81
Proportion of certified wood chips	%	16.80	6.02	10.01
Total amount of wood pulp purchased	tons	1,526,289.53	1,475,481.04	1,566,773.59
Amount of certified wood pulp	tons	85,734.92	92,153.80	153,799.02
Proportion of certified wood pulp	%	5.62	6.25	9.82
Total amount of waste paper purchased	tons	528,739.00	499,749.62	614,533.90

Environmental Performance

Energy

Indicator	Unit	2022	2023	2024
Diesel	tons	2,043.43	2,440.64	2,463.26
Natural gas	10,000 cubic meters	2,200.74	2,192.73	2,087.35
Purchased electricity	10,000 kWh	311,759.25	322,744.87	370,536.34
Purchased steam	GJ	17,884,798.74	17,114,573.09	20,456,256.27
Comprehensive energy consumption per unit of product (Shandong Base: white ivory cardboard, cultural paper, gypsum cover paper, boxboard paper)	tons of standard coal/ tons of paper	0.25	0.24	0.23
Comprehensive energy consumption per unit of product (Jiangsu Base: white ivory cardboard)	tons of standard coal/ tons of paper	0.25	0.24	0.23
Comprehensive energy consumption per unit of product (Jiangsu Base: white ivory cardboard)	tons of standard coal/ tons of pulp and paper	0.19	0.19	0.18

Greenhouse Gas Emissions

GHG Emissions of Bohui Paper*

Indicator	Unit	2022	2023	2024
Direct (Scope 1) GHG emissions	tCO_2e	53,192.24	59,287.11	54,805.44
Indirect (Scope 2) GHG emissions	tCO_2e	4,161,677.13	3,984,013.60	3,756,587.63
Other indirect (Scope 3) GHG emissions	tCO_2e	1,505,603.75	2,164,154.56	1,081,566.48
Total GHG emissions	tCO_2e	5,720,473.12	6,207,455.27	4,892,959.55

*The 2022 and 2023 GHG emissions data of Shandong Base and Jiangsu Base are verified in accordance with the ISO 14064-3:2019 *Greenhouse Gases - Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements.* The 2024 GHG emissions data of Shandong Base are internal estimated data of the Company, not yet certified by a third party, and the verified data will be disclosed in the 2025 ESG report. The 2024 GHG emissions data of Jiangsu Base have already passed third-party certification.

**Other indirect (Scope 3) GHG emissions data for 2022 and 2023 include the data of the Shandong Base and the Jiangsu Base, and for 2024 only include the data of the Jiangsu Base.

GHG Emissions of Shandong Base of Bohui Paper*

Indicator	Unit	2022	2023	2024
Direct (Scope 1) GHG emissions	tCO_2e	8,495.05	8,906.12	10,183.68
Indirect (Scope 2) GHG emissions	tCO_2e	2,288,076.97	2,365,833.1	2,129,221.05
Other Indirect (Scope 3) GHG emissions	tCO_2e	780,934.03	1,298,152.23	-
Total GHG emissions	tCO_2e	3,077,506.05	3,672,891.45	2,139,404.74
Carbon emission intensity per unit of product **	tCO_2e/ton of pulp and paper	1.5295	1.4138	0.7663

*The 2022 and 2023 GHG emissions data of Shandong Base are verified in accordance with the ISO 14064-3:2019 *Greenhouse Gases - Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements.* The 2024 GHG emissions data of Shandong Base are internal estimated data of the Company, not yet certified by a third party, and the verified data will be disclosed in the 2025 ESG report.

**Carbon emission intensity per unit of product (pulp and paper) for Shandong Base in 2022 and 2023 = Total greenhouse gas emissions (scope 1+2+3) / total annual production of pulp and paper; Carbon emission intensity per unit of product (pulp and paper) for Shandong Base in 2024 = Total greenhouse gas emissions (scope 1+2) / total annual production of pulp and paper.

GHG Emissions of Jiangsu Base of Bohui Paper*

Indicator	Unit	2022	2023	2024
Direct (Scope 1) GHG emissions	tCO_2e	44,697.19	51,738.04	44,225.59
Indirect (Scope 2) GHG emissions	tCO_2e	1,873,600.16	1,895,698.99	1,931,236.84
Other Indirect (Scope 3) GHG emissions	tCO_2e	724,669.72	866,002.33	1,081,566.48
Total GHG emissions	tCO_2e	2,642,967.07	2,813,439.36	3,057,028.91
Carbon emission intensity per unit of product (tCO_2e/ ton of paper **	tCO_2e/ton of paper	1.3859	1.3703	1.3793
Carbon emission intensity per unit of product ***	tCO_2e/ton of pulp and paper	1.0236	1.0265	1.0520

*The 2022, 2023 and 2024 GHG emissions data of Jiangsu Base are verified in accordance with the ISO 14064-3:2019 *Greenhouse Gases - Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements*.

** Carbon emission intensity per unit of product (paper) for Jiangsu Base = Total greenhouse gas emissions (scope 1+2+3) / total annual production of paper.

** Carbon emission intensity per unit of product (pulp and paper) for Jiangsu Base = Total greenhouse gas emissions (scope 1+2+3) / total annual production of pulp and paper.

Water Resources and Wastewater

Bohui Paper

Indicator	Unit	2022	2023	2024
Total water withdrawal	tons	26,326,259	30,856,022	29,443,504
Total wastewater discharge	tons	21,554,415	26,100,275	25,432,330

Shandong Base of Bohui Paper

Indicator	Unit	2022	2023	2024
Total water withdrawal*	tons	17,415,268	20,565,320	19,812,480
Total wastewater discharge	tons	13,067,756	16,757,297	17,267,735
Wastewater discharge per ton of paper produced	tons	7.57	7.79	7.47
COD discharge per ton of paper produced	kg	0.20	0.21	0.23
Annual average discharge concentration of COD	mg/L	26.5	27.2	31
Annual amount of COD discharged	kg	345,000	461,000	534,000
Approved annual amount of COD discharged	kg	-	-	571,459
Annual average discharge concentration of NH_3-N	mg/L	0.435	0.602	1.09
Annual amount of NH_3-N discharged	tons	5.54	10.1	19.3
Approved annual amount of NH_3-N discharged	tons	-	-	28.6
Annual average discharge concentration of Total Phosphorus	mg/L	0.0401	0.0215	0.0155
Annual amount of Total Phosphorus discharged	tons	0.517	0.352	0.272
Annual average discharge concentration of Total Nitrogen	mg/L	3.72	3.91	4.66
Annual amount of Total Nitrogen discharged	tons	48	65	80.9

*The water source of Shandong Base of Bohui Paper is surface water.

Jiangsu Base of Bohui Paper

Indicator	Unit	2022	2023	2024
Total water withdrawal*	tons	8,910,991	10,290,702	9,631,024
Total wastewater discharge	tons	8,486,659	9,342,978	8,164,595
Wastewater discharge per ton of paper produced	tons	4.45	4.52	3.68
Wastewater discharge per ton of pulp produced**	tons	9.87	13.58	8.32
COD discharge per ton of paper produced	kg	0.12	0.15	0.09
COD discharge per ton of pulp produced	kg	0.28	0.45	0.20
Annual average discharge concentration of COD	mg/L	32.88	33.28	24.49
Annual amount of COD discharged	kg	238,100.44	310,887.58	199,918.29
Approved annual amount of COD discharged	kg	-	-	527,000
Annual average discharge concentration of NH_3-N	mg/L	1.85	2.13	1.26
Annual amount of NH_3-N discharged	tons	13.67	19.87	10.28
Approved annual amount of NH_3-N discharged	tons	-	-	52.7
Annual average discharge concentration of Total Phosphorus	mg/L	0.03	0.13	0.04
Annual amount of Total Phosphorus discharged	tons	0.22	1.21	0.33
Approved annual amount of Total Phosphorus discharged	tons	-	-	5.27
Annual average discharge concentration of Total Nitrogen	mg/L	5.42	5.29	4.02
Annual amount of Total Nitrogen discharged	tons	35.65	47.95	32.81
Approved annual amount of Total Nitrogen discharged	tons	-	-	126.48

*The water source of Jiangsu Base of Bohui Paper includes surface water and water from third-party facilities, totaling 8,764,985 tons of surface water and 866,039 tons from third-party facilities respectively.

Air Pollutant Emissions

Indicator	Unit	2022	2023	2024
SO_2 emissions*	tons	0.103	0.533	0
Approved SO_2 emissions	tons	-	-	33.25
NO_X emissions*	tons	24.38	9.66	0
Approved NO_X emissions	tons	-	-	66.5
Soot emissions**	tons	5.644	2.083	8.383
Volatile organic compounds (VOCs) emissions*	tons	0.036	2.012	0.828

*The alkali recycling project and the sludge incinerator of the Company are managed by Shandong Bohui Group from 2024, so the air pollutant emissions data for 2024 do not include the SO_2, NO_X, and VOCs emissions data related to the alkali recycling project and sludge incinerator.

**In 2024, certain discharge outlets at the Jiangsu base monitored high particulate matter concentrations, and soot emissions increased. The Jiangsu base will strengthen control measures to reduce soot emissions.

Shandong Base of Bohui Paper

Indicator	Unit	2024
Soot emission concentration	mg/m^3	2.9
Volatile organic compounds（VOCs） emission concentration	mg/m^3	6.9

Waste

Indicator	Unit	2022	2023	2024
General waste generated	tons	303,862.10	320,892.16	215,234.69
General waste intensity *	tons /RMB million	16.55	17.17	11.37
General waste disposed of	tons	296,561.60	305,156.55	215,040.07
Recycling and reuse	tons	4,033.30	14,173.51	3,309.94
Incineration	tons	2,011.49	4,598.82	82.84
With energy recovery	tons	2,011.49	4,598.82	82.84
Selling to external parties for reuse	tons	290,516.81	286,384.22	211,647.29
Hazardous waste generated	tons	508.78	384.52	508.32
Hazardous waste intensity **	tons / RMB million	0.028	0.021	0.027
Hazardous waste disposed of	tons	526.79	371.94	545.73

*General Waste emission intensity = Total amount of general waste generated / Sales revenue (calculated in RMB million)

**Hazardous Waste emission intensity = Total amount of hazardous waste generated / Sales revenue (calculated in RMB million)

Environmental Protection Investment

Indicator	Unit	2022	2023	2024
Environmental protection investment	RMB100 million	1.41	4.60	5.34

Environmental Compliance

Indicator	Unit	2022	2023	2024
Total fines imposed for violations of environmental laws and regulations	RMB	0	0	0
Incidents of non-monetary penalties for violations of environmental laws and regulations	case	0	0	0
Cases brought through dispute resolution mechanisms for violating environmental laws and regulations	case	0	0	0

Social Performance

Employment

Indicator	Unit	2022	2023	2024
Total number of employees	person	6,290	5,431	5,884
Collective contract coverage ratio	%	100	100	100
Number of employees directly employed	person	6,290	5,431	5,884
Number of male employees directly employed	person	4,412	3,845	4,338
Number of female employees directly employed	person	1,878	1,586	1,546
Number of employees with ethnic minority background	person	49	49	63
Number of employees with disabilities	person	42	54	47

Indicator	Unit	2022	2023	2024
Number of employees indirectly employed	person	0	0	0
Number of male employees indirectly employed	person	0	0	0
Number of female employees indirectly employed	person	0	0	0
Number of employees newly recruited	person	1,953	935	1,800
Number of male employees newly recruited	person	1,590	830	1,599
Number of female employees newly recruited	person	363	105	201
Employee turnover	person	1,383	1,773	1,498
Number of male employees quit voluntarily	person	939	944	1,016
Number of female employees quit voluntarily	person	221	167	157
Number of male employees terminated involuntarily	person	44	31	70
Number of female employees terminated involuntarily	person	23	9	14
Number of male employees retired	person	54	88	75
Number of female employees retired	person	95	133	82
Number of male employees left for other reasons*	person	6	314	73
Number of female employees left for other reasons*	person	1	87	11

*Other reasons include non-work-related death, military service, further education, non-renewal of contract upon expiry, and other passive resignations of employees.

Employee Turnover Rate

Indicator	Unit	2022	2023	2024
Employee turnover rate	%	23.0	30.25	26.48
Turnover rate of male employees	%	25.2	33.35	30.16
Turnover rate of female employees	%	18.2	22.86	16.86
Turnover rate of employees aged 30 and below	%	45.7	50.37	53.40
Turnover rate of employees aged between 31 and 50	%	16.5	21.14	15.80
Turnover rate of employees aged 51 and above	%	14.3	28.75	15.87

Employee Retention after Maternity Leave/Paternity Leave

Indicator	Unit	2022	2023	2024
Number of female employees took maternity leave	person	44	59	55
Number of female employees returned to work after maternity leave	person	38	52	53
Number of female employees left voluntarily after maternity leave	person	6	7	2
Number of male employees took paternity leave	person	29	49	53
Number of male employees returned to work after paternity leave	person	27	43	50
Number of male employees left voluntarily after paternity leave	person	2	6	3

Employee Composition by Level

Indicator	Unit	2022	2023	2024
Percentage of senior-level employees	%	0.27	0.37	0.29
Percentage of middle-level employees	%	5.80	6.09	6.10
Percentage of line-level employees	%	93.93	93.54	93.61

Employee Composition by Gender

Indicator	Unit	2022	2023	2024
Percentage of female employees	%	29.86	29.20	26.27
Number of female employees in management*	person	19	24	25
Percentage of female employees in management*	%	4.97	6.84	6.65

* Management employees include senior-level managers and middle-level managers.

Employee Composition by Age

Indicator	Unit	2022	2023	2024
Percentage of employees aged 30 and below	%	26.10	26.42	30.17
Percentage of employees aged between 31 and 50	%	54.99	54.74	52.09
Percentage of employees aged 51 and above	%	18.90	18.84	17.74

Employee Training and Education

Indicator	Unit	2022	2023	2024
Total training expenses	RMB10,000	40.41	83	59
Total employee training time	hours	203,717	254,986	418,208
Number of employees sponsored by the Company to participate in academic degree studies	person	66	91	76
Average training time for senior-level employees	hours	40	54	59
Average training time for middle-level employees	hours	26	47	69
Average training time for line-level employees	hours	33	47	71

Occupational Health and Safety

Indicator	Unit	2022	2023	2024
Employee safety training time	hours	151,612	190,404	250,160
Number of emergency drills	times	512	499	497
Total expenses of personal protective gears	RMB10,000	120.92	246.38	154.17
Number of work-related injuries of employees	person-time	18	21	14
Total expenses of work injury insurance for employees	RMB10,000	447.63	513.03	517.70
Total expenses of workplace safety liability insurance for employees	RMB10,000	234.92	229.86	229.07
Coverage of work injury insurance for employees	%	100	100	100
Coverage of workplace safety liability insurance for employees	%	100	100	100
Work-related fatalities of employees	person	1	0	0
Total lost worktime rate*	-	1,689.36	1,193.90	1,571.17
Lost-time injuries frequency rate**	-	1.33	1.65	1.48
Number of work-related injuries of contractors	person-time	1	0	0
Work-related fatalities of contractors	person	0	0	0
Total lost worktime rate of contractors*	-	2,735.52	0	0
Lost-time injuries frequency rate of contractors**	-	1.67	0	0

*Total lost worktime rate = (Total lost hours/Total hours worked in the reporting period) × 1,000,000

**Lost-time injuries frequency rate = (Number of lost-time injuries/Total hours worked in the reporting period) × 1,000,000

Report Content Indexes

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Dimension	Serial Number	Issues	Corresponding Clause	Disclosure Index
Environmental	1	Responding to Climate Change	Articles 21 to 28	5，30-33，39-46，51，72-73
	2	Pollutant Emissions	Article 30	38，44，47-50，73-75
	3	Waste Management	Article 31	47-50，73-75
	4	Ecosystem and Biodiversity Conservation	Article 32	24-25，50
	5	Environmental Compliance Management	Article 33	15，38，43-50，75
	6	Energy Utilization	Article 35	4，43-46，51，72-73
	7	Water Utilization	Article 36	47-48，73-74
	8	Circular Economy	Article 37	24-33，43-51
Social	9	Rural Revitalization	Article 39	69
	10	Social Contribution	Article 40	69
	11	Innovation Drive	Article 42	26-34，39-42
	12	Technology Ethics	Article 43	Not Applicable*
	13	Supply Chain Security	Article 45	22，24-25
	14	Equal Treatment of Small and Midsize Enterprises	Article 46	35
	15	Safety and Quality of Products and Services	Article 47	64-69
	16	Data Security and Customer Privacy Protection	Article 48	34-35
	17	Employee	Article 50	5，54-64，75-77
Governance Related to Sustainable Development	18	Due Diligence	Article 52	10-11，22-25，29，38，42，55
	19	Stakeholder Communication	Article 53	12-13，20-21
	20	Anti-Commercial Bribery and Corruption	Article 55	22-23，71
	21	Anti-Unfair Competition	Article 56	23
Self-disclosed Issues (Corporate Governance, Risk and Compliance Management, Digital-intelligent Transformation)				10，18-21，34-35

*The Company is not engaged in scientific research or technological development activities in ethics-sensitive fields such as life sciences or artificial intelligence, and therefore this issue is not applicable. The Company actively manages technological innovation risks and adheres to green development principles in its innovation efforts. We are committed to exploring green materials and product R&D, as well as developing green processes and low-carbon technologies.

GRI Standards (2021) Content Index

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

GRI Standard	Disclosure	Chapter Index
GRI 2: General Disclosures 2021	2-1 Organizational details	About this Report，6
	2-2 Entities included in the organization's sustainability reporting	About this Report，6-7
	2-3 Reporting period, frequency and contact point	About this Report
	2-4 Restatements of information	72
	2-5 External assurance	82-84
	2-6 Activities, value chain and other business relationships	6，12，24-25，70-71
	2-7 Employees	75-77
	2-8 Workers who are not employees	76-77
	2-9 Governance structure and composition	7，10-11，18-20，70
	2-10 Nomination and selection of the highest governance body	18-19
	2-12 Role of the highest governance body in overseeing the management of impacts	3，10-13，18-21
	2-13 Delegation of responsibility for managing impacts	10-13，18-19，21，54
	2-14 Role of the highest governance body in sustainability reporting	About this Report，10-11
	2-15 Conflicts of interest	18-20
	2-16 Communication of critical concerns	10-11，18，23
	2-17 Collective knowledge of the highest governance body	10，18
	2-19 Remuneration policies	18
	2-20 Process to determine remuneration	18
	2-22 Statement on sustainable development strategy	2-3，10
	2-23 Policy commitments	10-13，18-21，23-25，43，47-49，54，59-64
	2-24 Embedding policy commitments	6，10-11，18-27
	2-25 Processes to remediate negative impacts	21-23，25，54，58-64
	2-26 Mechanisms for seeking advice and raising concerns	22-23，54
	2-27 Compliance with laws and regulations	21，23，38，47，49，75
	2-28 Membership associations	12-14
	2-29 Approach to stakeholder engagement	11-13，20，23，54
	2-30 Collective bargaining agreements	54
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10-11
	3-2 List of material topics	10-11
	3-3 Management of material topics	10-11，18-29，33-35，38-51，54-69

GRI Standard	Disclosure	Chapter Index
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	4，70-71
	201-2 Financial implications and other risks and opportunities due to climate change	40-43
	201-3 Defined benefit plan obligations and other retirement plans	56-57
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	34，51，69
	203-2 Significant indirect economic impacts	6，8-9，70-71，75-76
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	24，71
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	22-23，71
	205-3 Confirmed incidents of corruption and actions taken	22
GRI 206：Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	23
GRI 301: Materials 2016	301-1 Materials used by weight or volume	71-72
	301-2 Recycled input materials used	4，44，47，49，51，75
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4，43-46，72
	302-3 Energy intensity	4，46，72
	302-4 Reduce of energy consumption	4，43-46
	302-5 Reductions in energy requirements of products and services	72
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	47
	303-2 Management of water discharge-related impacts	47-48
	303-3 Water withdrawal	73-74
	303-4 Water discharge	47-48，73-74
	303-5 Water consumption	47
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	50
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	50
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5，39-43，72-73
	305-2 Energy indirect (Scope 2) GHG emissions	5，39-43，72-73
	305-3 Other indirect (Scope 3) GHG emissions	39-43，72-73
	305-4 GHG emissions intensity	5，72-73
	305-5 Reduction of GHG emissions	5，39-44
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	50，74
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	48-49
	306-2 Management of significant waste-related impacts	48-49
	306-3 Waste generated	75
	306-4 Waste diverted from disposal	48-49，75
	306-5 Waste directed to disposal	75

GRI Standard	Disclosure	Chapter Index
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	24-25
	308-2 Negative environmental impacts in the supply chain and actions taken	24-25
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	75-76
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	55，57
	401-3 Parental leave	76
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58-64
	403-2 Hazard identification, risk assessment, and incident investigation	58-64
	403-3 Occupational health services	57，59-60，64
	403-4 Worker participation, consultation, and communication on occupational health and safety	54，58，60，64
	403-5 Worker training on occupational health and safety	58-64，77
	403-6 Promotion of worker health	57，59-61，64
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54，58-64
	403-8 Workers covered by an occupational health and safety management system	60-62
	403-9 Work-related injuries	60-62，77
	403-10 Work-related ill health	64
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5，77
	404-2 Programs for upgrading employee skills and transition assistance programs	56
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75-77
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Did not occur
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Did not occur
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Did not occur
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	69
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	24
	414-2 Negative social impacts in the supply chain and actions taken	22-25；51
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	64-67
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Did not occur

Assurance Statement

Independent Verification Statement

Verification Statement：EIV2 131553 0001 Rev. 00

To the management and stakeholders of Shandong Bohui Paper Industry Co., Ltd.,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Shandong Bohui Paper Industry Co., Ltd. (hereinafter referred to as "BOHUI PAPER" or "the Company") to perform an independent third-party verification on its *2024 Environmental, Social and Governance Report* (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with BOHUI PAPER and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by BOHUI PAPER and provided to TÜV SÜD. The scope of verification is limited to the given information. BOHUI PAPER shall be held accountable for authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by BOHUI PAPER during the reporting period from January 1st, 2024 to December 31st, 2024, including governance, environmental and social information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
  North end, Gongye Road, Maqiao Town, Huantai County, Zibo City, Shandong Province;
  Bohui Science and Technology Building, Dafeng Port Economic Development Zone, Dafeng District, Yancheng City, Jiangsu Province.

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of BOHUI PAPER and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of BOHUI PAPER's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and places. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2024 are beyond the scope of this verification.

TÜV SÜD Certification and Testing
(China) Co., Ltd.
No.151 Heng Tong Road,
Shanghai 200070

Independent Verification Statement

Verification Statement：EIV2 131553 0001 Rev. 00

- TÜV SÜD's verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- *AA1000AS v3, Type 2, Moderate Assurance*
- *International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance*
- *Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)*

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by BOHUI PAPER; tracing and verification of key performance information;
- Special interview with the representative of BOHUI PAPER's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in BOHUI PAPER's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.
The verification team has drawn the following conclusions on this Report:

Inclusivity	BOHUI PAPER has identified the internal and external stakeholders such as government and regulatory authorities, shareholders and investors, customers, employees, suppliers and contractors, communities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	BOHUI PAPER has established a priority determination process for ESG issues, identified and prioritized material issues highly relevant to the industry, disclosed the governance structure, management actions and performance data in the Company's sustainable development management process, and the report content is substantive.
Responsiveness	BOHUI PAPER has disclosed the management approach and performance of high material topics that stakeholders concern, such as technological innovation, health and safety, product safety and quality, and responding to climate change, etc., so as to fully respond to the demands and expectations of stakeholders.

TÜV SÜD Certification and Testing
(China) Co., Ltd.
No.151 Heng Tong Road,
Shanghai 200070

Independent Verification Statement

Verification Statement：EIV2 131553 0001 Rev. 00

Impact	As the highest responsible body for ESG matters of BOHUI PAPER, the Strategy and ESG Committee is responsible for studying and putting forward suggestions on the Company's long-term development strategic planning and ESG work, providing forward-looking guidance for the Company's strategic development and promoting ESG related work.

Recommendations on Continuous Improvement

- The verification team has passed the improvement proposal to the management of BOHUI PAPER during the on-site implementation process.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and BOHUI PAPER are two entities independent of each other and both TÜV SÜD and BOHUI PAPER and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by BOHUI PAPER. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

AA1000 Licensed Report 000-437/V3-EJCHJ

Zhu Wenjun

TÜV SÜD Sustainability Authorized Signatory Officer

April 18th, 2025

Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

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Reader Feedback Form

Dear Reader,

Thank you for reading the *Bohui Paper 2024 Environmental, Social, and Governance (ESG) Report.* Your feedback is invaluable to our continuous improvement. Please complete this form to help us enhance our sustainability management, practices, and report preparation.

Basic Information (Optional)

Name: _____ Position: _____

Organization: _____ Contact Number: _____

Report Evaluation (Please rate the following aspects by checking √)

1. This report comprehensively reflects Bohui Paper's significant impacts on the economy, society, and the environment.

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

2. The report's responsiveness and disclosure level regarding stakeholder concerns.

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

3. The information, metrics, and data disclosed in the report are complete and accurate.

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

4. The report is well-structured, with readable content and design layout.

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

Suggestions for Improvement

1. What additional content do you think should be disclosed in this report?

_____

2. Do you have any suggestions for our future sustainability report preparation?

_____

Submission Methods

You may submit this form via:

Mail: Bohui Paper Culture & Communications Office, North end, Gongye Road, Maqiao Town, Huantai County, Zibo City, Shandong Province (256405)

Email: zqb@bohui.com



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