



2025

Sustainability Report

Rifeng Enterprise (Foshan) Co., Ltd.

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ESRS 2 General disclosure

ESRS BP-1 General basis for preparation of the sustainability statement

This is the first Sustainability Report released by Rifeng Enterprise (Foshan) Co., Ltd. (hereinafter referred to as "Rifeng Foshan", "the Company" or "we"). It aims to disclose to stakeholders the concepts we uphold, the management methods we have established, the work we have carried out, and the achievements we have made regarding sustainability issues in our operations.

The scope of this Report covers Rifeng Enterprise (Foshan) Co., Ltd., which is consistent with the scope of the Company's financial statements. Some contents of the Report involve Rifeng Enterprise Group Co., Ltd. (hereinafter referred to as "Rifeng Group" or "the Group"), and special notes have been made at the corresponding locations.

ESRS BP-2 Disclosures in relation to specific circumstances

Time Scope

This Report covers the period from January 1 to December 31, 2025. To enhance the comparability and completeness of the Report, some contents appropriately cover previous years.

The definitions of time periods in this Report are as follows: short-term refers to 1 year, medium-term refers to 1-5 years, and long-term refers to 5-10 years.

Basis for Preparation

This Report is mainly prepared with reference to the Corporate Sustainability Reporting Directive (CSRD) issued by the European Commission and the European Sustainability Reporting Standards (ESRS) formulated by the European Financial Reporting Advisory Group (EFRAG).

Data Description

All data and cases contained in this Report are derived from the official records of the Company's actual operations. Financial data are presented in RMB. If there is any discrepancy between the financial data in this Report and the Company's annual financial report, the annual financial report shall prevail. If estimated values are used for data, explanations will be provided in the notes, including the relevant measurement uncertainties.

Information Restatement

This is the Company's first sustainability report, and there is no restatement or correction of information.

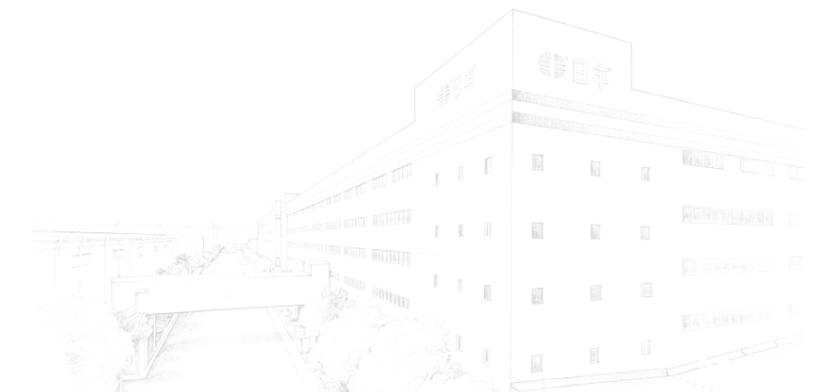
GOV-1 The role of the administrative, management and supervisory bodies

In strict accordance with the requirements of relevant laws, regulations, normative documents such as the Company Law of the People's Republic of China, and the Articles of Association of Rifeng Enterprise (Foshan) Co., Ltd. (hereinafter referred to as the Articles of Association), the Company continuously standardizes its corporate governance structure, improves its internal control system, fulfills its information disclosure obligations, enhances its standardized operation level, and takes effective measures to protect the legitimate rights and interests of the Company and its shareholders. On this basis, the Company has formed a decision-making, execution, and supervision system with shareholders, executive directors, supervisors, managers, and the management team at its core.

The Company does not have a shareholders' meeting but has one executive director, who is appointed by the shareholders. The executive director exercises the powers conferred by laws, regulations, the Articles of Association, and the shareholders and is accountable to the shareholders. Meanwhile, the Company has one manager, who is employed by the shareholders. The manager exercises other powers conferred by laws, regulations, the Articles of Association, and the executive director and is accountable to the shareholders.

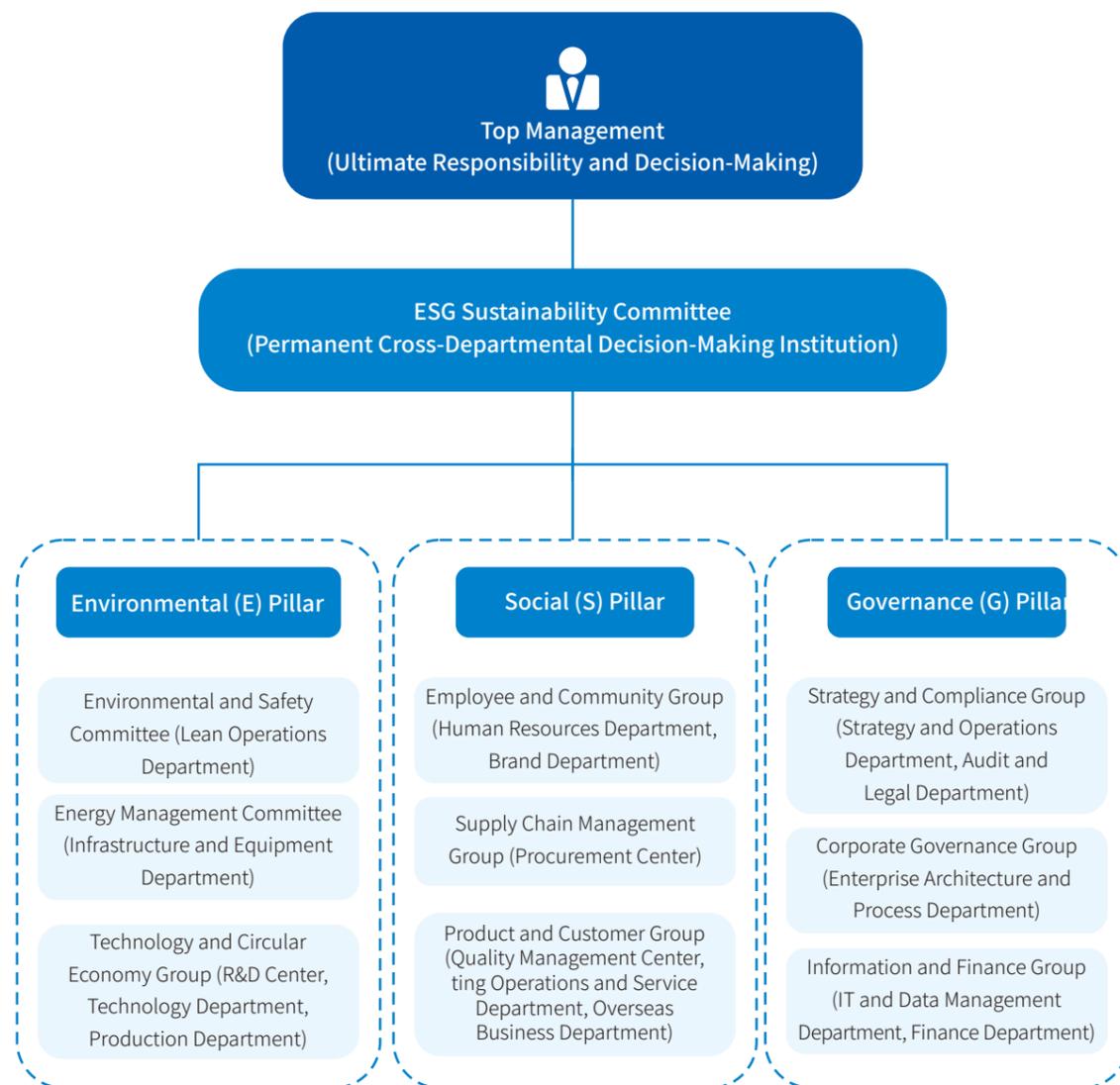
The Company has one supervisor, who is appointed by the shareholders and accountable to the shareholders. The supervisor performs the duty of supervising the executive director and senior managers.

Name	Gender	Role
Sun Tong	Male	Executive Director, Manager
Liu Sheng	Male	Supervisor



Sustainability Governance

In terms of sustainability governance, the Company has established a hierarchical sustainability management structure: the top management assumes the ultimate responsibility for sustainability management, and is responsible for approving the Company's sustainability strategy, goals, and policies, providing resource support, and at the same time reviewing relevant risks and opportunities to integrate them into the core strategy; the ESG Sustainability Committee, as a permanent cross-departmental institution, coordinates the Company's overall sustainability matters, reviews annual goals and performance, guides special working groups, and reports progress to the top management; the ESG special working groups are divided by the environmental (E), social (S), and governance (G) dimensions, and work together to promote the specific implementation and continuous improvement of various sustainability issues.



Role/Institution	Main Responsibilities
 Top Management	<ol style="list-style-type: none"> 1. Assume ultimate responsibility for sustainability management, and approve sustainability strategies, goals, and policies; 2. Provide sufficient resource support (human, finance, and technology); 3. Review relevant risks and opportunities to ensure their integration into the Company's core strategy.
 ESG Sustainability Committee (Permanent Cross-Departmental Decision-Making Institution)	<ol style="list-style-type: none"> 1. Coordinate, plan, and advance the Company's overall sustainability matters; 2. Review annual sustainability goals (integrated into corresponding departments), key initiatives, and performance; 3. Guide the work of the three working groups (E, S, G) and resolve cross-domain issues; 4. Report sustainability performance to the top management / board of directors.
 Environmental (E) Working Group	<ul style="list-style-type: none"> ● Environmental and Safety Committee (Lean Operations Department): Responsible for environmental compliance, greenhouse gas accounting, waste gas/wastewater/waste management, climate management, toxic and hazardous substance management, and ecosystem impacts. ● Energy Management Committee (Infrastructure and Equipment Department): Responsible for energy management, water resource management, energy-saving projects, and new energy applications. ● R&D and Circular Economy Group (R&D Center, Technology Department, Production Department): Responsible for promoting circular economy, eco-design of products, and extending product lifespan.
 Social (S) Working Group	<ul style="list-style-type: none"> ● Employee and Community Group (Human Resources Department, Brand Department): Responsible for employee management (compensation, training, care), labor union relations, work safety, occupational health, community management, and public welfare activities. ● Product and Customer Group (Quality Management Center, Marketing Operations and Service Department, Overseas Business Department): Responsible for product quality, customer privacy and safety, responsible marketing, and customer service. ● Supply Chain Management Group (Procurement Center): Responsible for supplier sustainability management and promoting sustainable procurement.
 Governance (G) Working Group	<ul style="list-style-type: none"> ● Strategy and Compliance Group (Strategy and Operations Department, Audit and Legal Department): Responsible for formulating sustainability strategies, ensuring compliance, risk management, business ethics, and intellectual property protection. ● Corporate Governance Group (Enterprise Architecture and Process Department): Responsible for optimizing the corporate process structure and integrating sustainability into business processes. ● Data and Finance Group (IT and Data Management Department, Finance Department): Responsible for the construction of a digital sustainability management platform (such as a product lifecycle management system), ensuring financial investment, and analyzing the connection between financial and non-financial performance.

To deepen knowledge reserves in the field of sustainability and enhance practical application capabilities, the Company actively participates in cutting-edge external professional training and conducts internal empowerment training. On June 23, 2025, relevant personnel of the Company completed a social responsibility training themed "Gender Equality in the Workplace and Zero Tolerance for Violence and Harassment". On August 7, 2025, the Company invited senior experts in the CSRD field to conduct a one-day special training on CSRD sustainability reporting for heads of sustainability management and core personnel responsible for report preparation.



Social Responsibility Training



Special Training on CSRD Sustainability Reporting

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The governance bodies of the Company regularly pay attention to and coordinate the handling of sustainability-related matters, including reviewing the annual sustainability report, approving the results of the double materiality assessment, and formulating relevant management indicators and targets when appropriate. Our sustainability management is centered on the results of the annual double materiality analysis. Relevant departments formulate and implement a series of actions to prevent, mitigate, or remediate identified impacts, and report to the governance bodies. Therefore, sustainability management is integrated into the Company's regular governance activities.

GOV-3 Integration of sustainability-related performance in incentive schemes

Currently, the remunerations of the company's governance bodies are linked to key sustainability indicators such as the effectiveness of work safety, attraction and retention of key talents, and customer satisfaction, to promote the implementation of the core strategy of "upholding long-termism, navigating business cycles, and achieving resilient growth" through incentive orientation. In terms of certain sustainability issues, we have also established special incentive and assessment mechanisms for key areas. For instance, as energy conservation and emission reduction are our key tasks, we have incorporated energy management-related indicators into the quarterly and annual performance assessments of the Infrastructure and Equipment Department. Through regular data tracking, performance rating, and a mechanism linking rewards and penalties, we promote all departments to continuously optimize energy utilization efficiency, effectively facilitating the implementation of the Company's green operation goals.

GOV-4 Statement on due diligence

With regard to its own operations, upstream supply chain, downstream consumers, and end-users, the Company has carried out work to identify, detect, prevent, and rectify potential or actual negative impacts. Specific measures are detailed in the relevant chapters of this Report. For potential risks in key areas such as the environment, human rights, and corruption, the Company has formulated and implemented targeted mitigation measures; for actual negative impacts that have occurred, we have also implemented remediation plans and continuously monitored the effectiveness of the measures to form a closed-loop management system. However, at present, the Company's sustainability work is still in its initial stage, and a complete sustainability due diligence system has not yet been established. In the future, the Company will promote the optimization and improvement of this system and continuously enhance the level of sustainability management.

GOV-5 Risk management and internal controls over sustainability reporting

This Report is the first sustainability report released by the Company, and we are still in the exploratory stage in the field of sustainability report risk management and internal control strategies. At present, we have started to establish a basic management framework suitable for report preparation, carried out preliminary risk identification and response practices focusing on key dimensions such as data integrity and accuracy, and process compliance. Through collaboration with internal business units and external professional forces, we have built an initial protection system for report quality. With the continuous development and in-depth exploration of the Company's sustainability information disclosure, our risk management will be gradually improved and upgraded in practice. We will continue to iterate in terms of refining data governance, systemizing control processes, and enhancing efficiency of cross-domain collaboration, helping the Company achieve an all-round improvement in its sustainability governance capabilities.

SBM-1 Strategy, business model and value chain

Rifeng Group is a large-scale home building materials business integrating R&D, production, sales, and services. Its main products cover multiple fields such as water supply, drainage, heating, sheathing, gas supply, hardware, sanitary ware, municipal engineering, water purification, and waterproofing. Currently, Rifeng Group has established several large-scale modern production bases in Foshan City, Tianjin City, Hubei Province, Shaanxi Province, and Chongqing City. It owns hundreds of pipe production lines, thousands of processing equipment, sells hundreds of millions of meters of new-type pipes annually. Its products are well sold in more than 110 countries and regions around the world.

The brand slogan "Rifeng Pipes – Durable for 50 Years" has been renowned across the country and gained widespread recognition. Since its establishment nearly 30 years ago, Rifeng has provided household piping system products and services to hundreds of millions of families worldwide, and has won wide recognition and trust in the market, truly fulfilling the commitment of "being durable for 50 years".

Founded in
1996

Involved in **four major** fields
Piping • Sanitary Ware • Waterproofing • Water Purification



8 production bases nationwide
With a total investment of **over RMB 10 billion**

Annual sales of **billions of meters** of new-type pipes

Sold in **more than 110 countries** and regions

Trusted by **over 100 million** households

50-year double quality warranty and quality commitment

Established in 2013, Rifeng is a wholly-owned subsidiary of Rifeng Group. It is a private business integrating R&D, production, and sales, located in Leping Industrial Park, Sanshui District, Foshan City. Covering a total area of approximately 500 mu (about 333,333 square meters), it has nearly 200 pipe production lines, over 300 injection molding machines, and more than 400 metal pipe fitting processing equipment. Its products include PPR pipes, aluminum-plastic pipes, PVC drainage pipes, PVC threading pipes, gas pipes, floor heating pipes, sanitary ware products, silicone sealants, water purification products, and waterproof products, which are widely used in various fields. The Company takes quality as the foundation for development, strictly implementing ISO 9001 and ISO 14001 management systems. It is market-oriented, adheres to vigorously developing its own brand, and has formed strong market competitiveness.

Rifeng is a globally leading brand in the field of new-type pipes and a leading developer and technical support unit for new product technologies of aluminum-plastic composite pipes in China. Currently, the Company ranks among the top in the global production of aluminum-plastic composite pipes. We not only have strong R&D capabilities in product formulas, processes, and structural design of new-type plastic pipes, but also have rich experiences in enhancing the performance of pipe system materials. In addition, the production and sales volumes of our other three major pipe systems (PP-R, PE-Xb, PE-RT) also rank among the top in the industry. On this basis, to adapt to the Company's strategic development, we continue to increase R&D investment and continuously build engineering technology centers to maintain our development momentum and gain market leadership. The market share of each product ranks among the top, and our products are exported to more than 110 countries and regions around the world.

BUILDING A NATIONAL MARKETING NETWORK

9 Sales Companies **32** Marketing Offices **1,500+** Agents
130,000+ Distributors **2,000,000+** Plumbing Engineers

TECHNOLOGICAL INNOVATION LEADS STANDARD SETTING

1,000+ domestic and international patents obtained
140+ international certifications obtained
110+ national and industry standards led or involved in compilation

🏆 No. 1 in Sales of China's Home Improvement Piping 🏆

🏆 No. 1 in Number of Households Served for China's Home Improvement Piping 🏆

🏆 Consumers' Brand of Choice for China's Home Improvement Piping 🏆

🏆 No. 1 in Production Base Scale for China's Home Improvement Piping 🏆

🏆 China Brand Annual Award - No. 1 China's Home Improvement Piping 🏆



Source: Frost & Sullivan (Beijing) Consulting Co., Ltd. Shanghai Branch. Based on research on China's mainland (excluding Hong Kong, Macao and Taiwan) home improvement piping market; data includes 2024 revenue, sales volume (in tons), number of households served, and marketing network count as of the end of 2024. Home improvement piping refers to indoor pipes installed during home renovation. The survey was completed in May 2025.

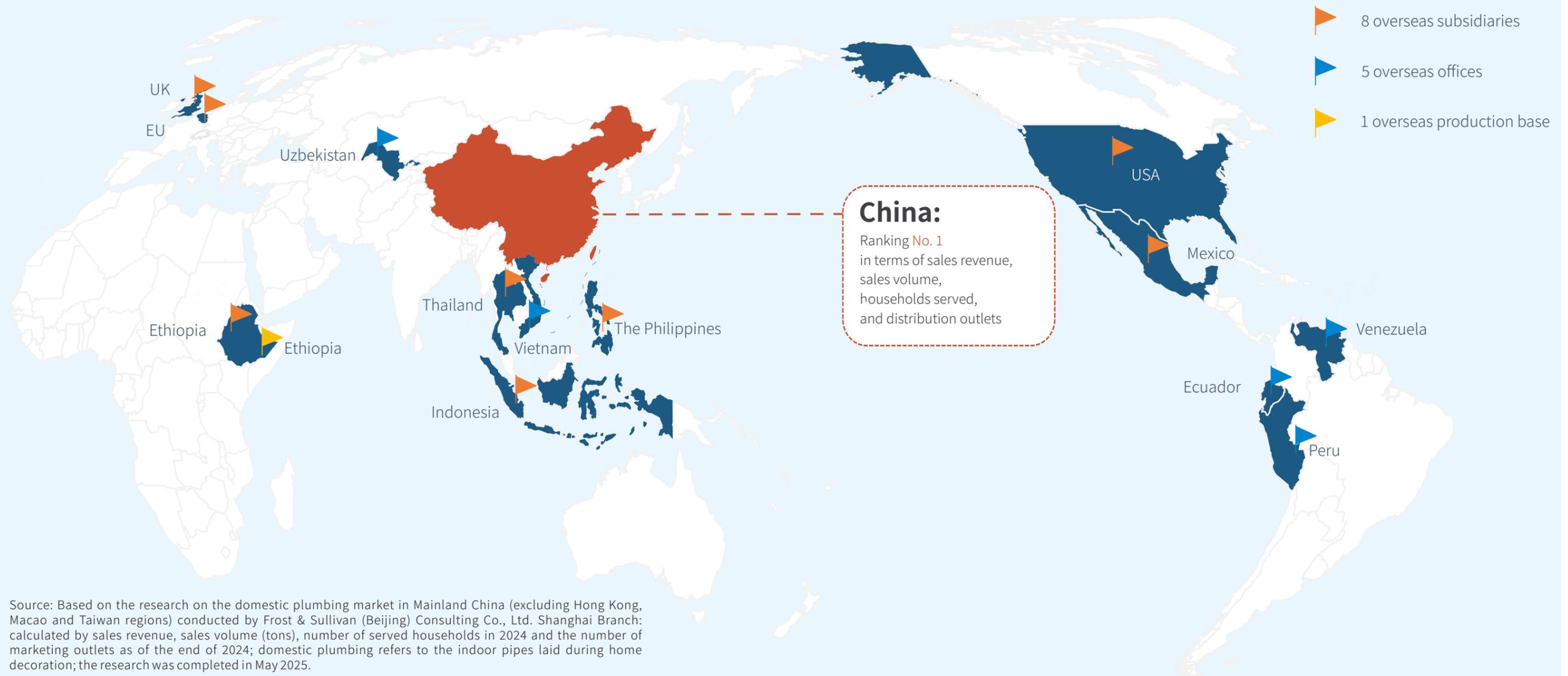
The above data is statistically updated as of December 2025.



Expand global market presence and set new benchmark for the industry

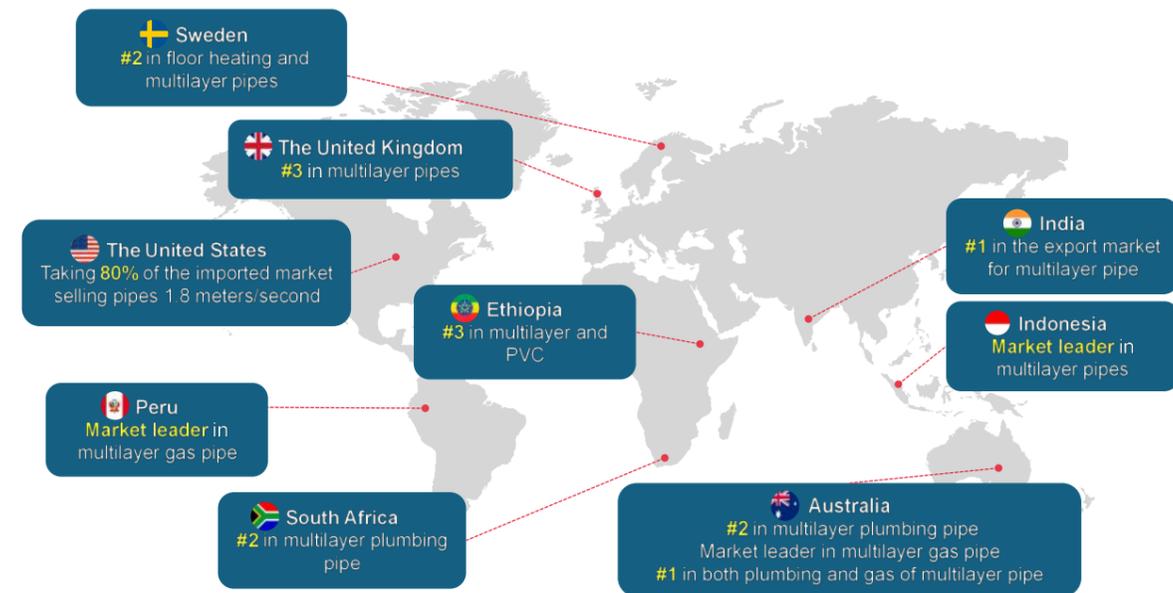
Keeping up with the trend of "Made in China" going global, Rifeng has actively expanded the international market. It now has 8 overseas subsidiaries, 5 overseas offices, and 1 overseas production base, with products sold in more than 110 countries and regions worldwide. Relying on high-quality products and localized strategies, Rifeng has maintained a leading position in key markets such as the United States, the United Kingdom, Sweden, New Zealand, and South Africa.

Meanwhile Rifeng plays an important role in the overseas market and holds a leading position in the fields of indoor water supply, heating, and gas supply. The innovation and manufacturing capabilities of Rifeng enable to provide globally recognized products to customers. Relying on customer-centric services, effective marketing and branding, we not only connect people, but also connect cities around the world. Whenever you need, Rifeng will always be there to provide support.



Source: Based on the research on the domestic plumbing market in Mainland China (excluding Hong Kong, Macao and Taiwan regions) conducted by Frost & Sullivan (Beijing) Consulting Co., Ltd. Shanghai Branch: calculated by sales revenue, sales volume (tons), number of served households in 2024 and the number of marketing outlets as of the end of 2024; domestic plumbing refers to the indoor pipes laid during home decoration; the research was completed in May 2025.

The above data statistics are as of September 2025.



Business Model Canvas

Key Partners

Upstream raw material suppliers (100% high-quality raw materials): engaged in R&D, production and supply of high-quality chemical raw materials including polypropylene (PP-R), polyethylene (PE), and PVC, and metal raw materials such as copper. Their activities include strict quality control, innovation in production processes, and assurance of stable and reliable supply delivery

Certification bodies, research institutes and industry organizations (products are produced under our rigorous quality control): Internationally renowned certification bodies (such as NSF, DVGW) conduct independent and impartial audits and certifications of Rifeng's products and systems. Top research institutes at home and abroad carry out joint research and development with us in the fields of materials science and fluid mechanics, and industry organizations help us develop and comply with industry standards

Key Activities

The main products include pipeline series (including pipe fittings, pipes, etc.), hardware series (including showers, faucets, valves, etc.) and glass glue

Key Customer Groups

The key customers are agents, engineering clients, and end-users of building materials wholesale and retail industry, responsible for market development and channel distribution.

Key Cost Elements

Raw material procurement

Customer Contact Channels

Close contact with customers through multiple channels such as telephone, email, online media, agent conferences, and exhibitions



Product Raw Materials are Sourced from Well-known Suppliers



The Products have Obtained Authoritative International Product Certification

SBM-2 Interests and views of stakeholders

The expectations and demands of stakeholders serve as a crucial driving force for the Company to continuously enhance its operational performance and sustainability performance. We respect all stakeholders and consistently gather their opinions and suggestions through various channels. We have established a stable communication mechanism with each stakeholder group to collectively achieve sustainability on a broader scale.

Stakeholders	Key Concerns	Communication Channels	Our Responses
 Shareholders	Sustained corporate profitability Corporate governance Information disclosure	Work reports Daily communication	Ensure sufficient and reliable information transmission Continuously optimize corporate governance to safeguard sustained profitability
 Customers	High-quality products and services Supply chain security Health and safety protection Sustainability performance	Customer follow-ups Daily service and communication Agent conferences Exhibitions	Ensure stable delivery of high-quality products and services Maintain sound customer relationships and continuously improve customer satisfaction
 Employees	Stable employment Gender equality and equal pay for equal work Health and safety Training and skill development Work-life balance	Employee activities Employee interviews Employee satisfaction surveys Employee training Departmental Seminar	Protect opportunities of career advancement and skill enhancement Uphold gender equality and equal pay for equal work Ensure employee well-being and a safe working environment Improve career development pathways for employees
 Management	Sustained corporate profitability Corporate culture Corporate governance Sustainability performance	Daily work meetings Management training Employee satisfaction surveys	Continuously optimize corporate governance Establish and improve ESG risk management and decision-making mechanisms



Stakeholders	Key Concerns	Communication Channels	Our Responses
 Suppliers and other partners	Supply chain management and payment practices Promoting industry sustainability Transparent procurement	Daily work coordination Supplier conferences Regular one-on-one technical sharing and training guidance SRM platform On-site audits Whistleblowing email and hotline	Improve supplier screening and access mechanisms Review and empower suppliers' ESG management Ensure integrity in performance and win-win cooperation Adhere to transparent procurement practices
 Government authorities	Promoting local economic development Boosting employment Lawful operations Work safety Energy conservation and emission reduction	Policy access via government official websites Receiving government documents Compliance supervision and inspections (environmental protection, workplace safety, fire safety, employment, taxation, etc.) Conferences and forum exchanges	Actively participate in local economic development Pay taxes in full and create job opportunities Strictly comply with all regulations and conduct self-inspections on work safety and environmental protection Regularly conduct energy audits and promote energy conservation and emission reduction projects

In addition to maintaining communication with key stakeholders, we also leverage the expertise of external professional consultants. Through professional methodologies and industry benchmarking analysis, we systematically identify and gain in-depth insights into sustainability issues associated with our business model.

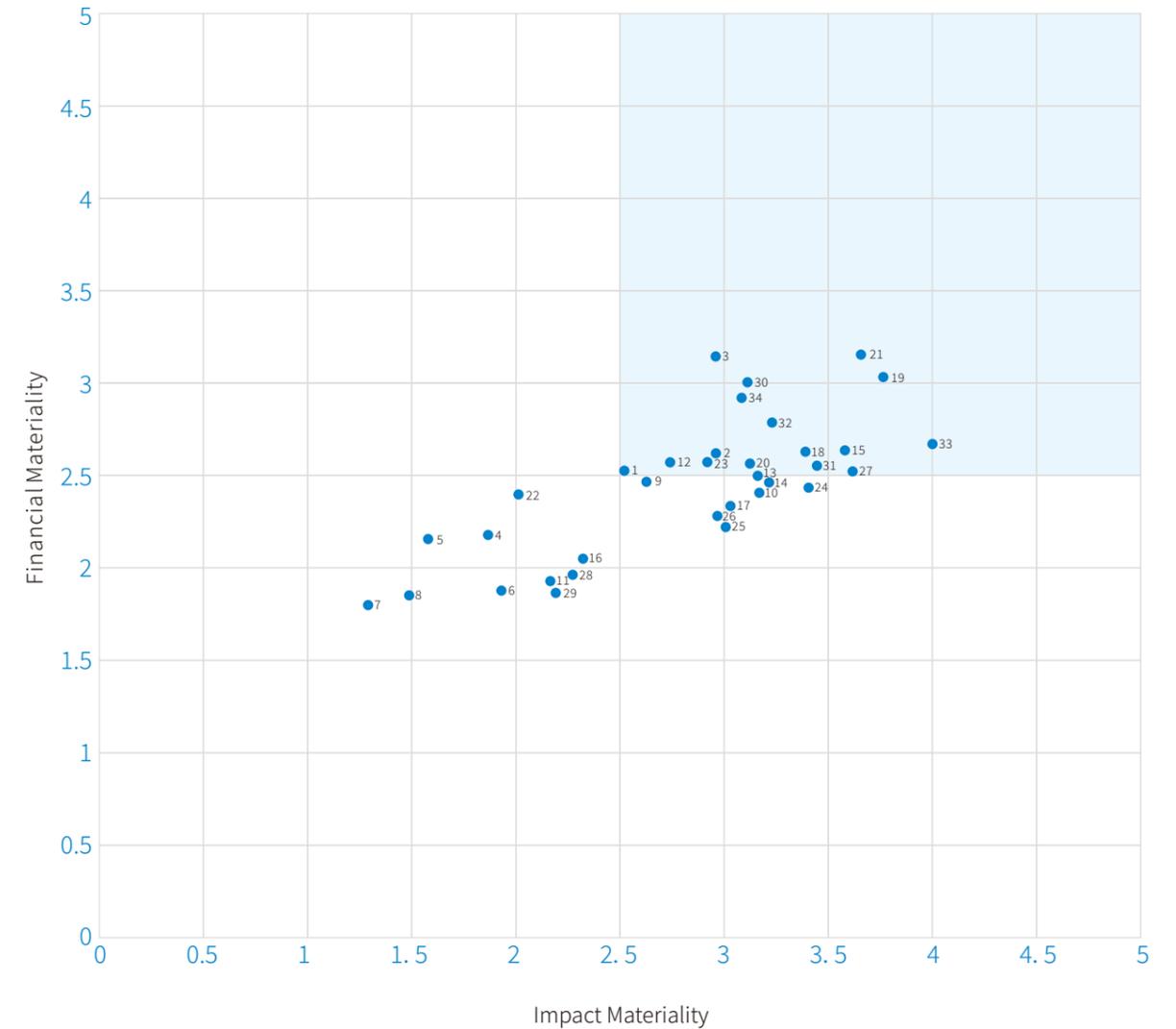
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Company attaches great importance to sustainability, proactively fulfills social responsibilities, accurately responds to the expectations of stakeholders such as customers, employees, and suppliers, seizes the opportunities of the global green transition era, effectively resists complex environmental risks like climate warming, builds the Company's differentiated market competitiveness, and solidifies the foundation for the Company's long-term stable operations. In accordance with the Internal Control Management System formulated by Rifeng Group, the Company comprehensively, systematically, and continuously collects relevant information, conducts timely internal and external risk assessments based on actual conditions. This includes identifying risks related to safety and environmental factors such as operational safety, employee health, and environmental protection, as well as natural environmental factors like natural disasters and environmental conditions. A combination of qualitative and quantitative methods is used to analyze risks, and targeted risk response strategies are proposed to improve the Company's operational management level and risk prevention capabilities, thereby promoting the Company's sustainable development.

Adhering to the core strategy of "upholding long-termism, navigating business cycles, and achieving resilient growth", the Company incorporates financial value, customer value, internal process optimization, organizational learning and growth into the core dimensions of its strategy map. It takes law-abiding compliance, safe operations, product quality, co-construction of upstream and downstream partnerships, and talent development as the key drivers for strategy implementation. This is highly aligned with the core concepts and value orientation of sustainability, and will continue to drive the Company towards the coordinated development of economic, social, and environmental values, moving towards a path of long-term positive development.

Material issue analysis serves as the fundamental prerequisite for sustainability work. It helps the Company accurately focus on core concerns, clarify management priorities, and define a clear direction and practical approach for long-term sustainability. As the Company's first-ever material issue analysis, we adopted the double materiality analysis method required by ESRS. By deeply integrating the Company's core business development and long-term strategic layout, we conducted an in-depth analysis of the impacts, risks, and opportunities of each issue. We also extensively invited stakeholders including customers, employees, and suppliers to participate in the process, conducting a comprehensive and objective assessment of the impact materiality and financial materiality of each issue. Ultimately, we identified the following core material issues:

Double Materiality Matrix

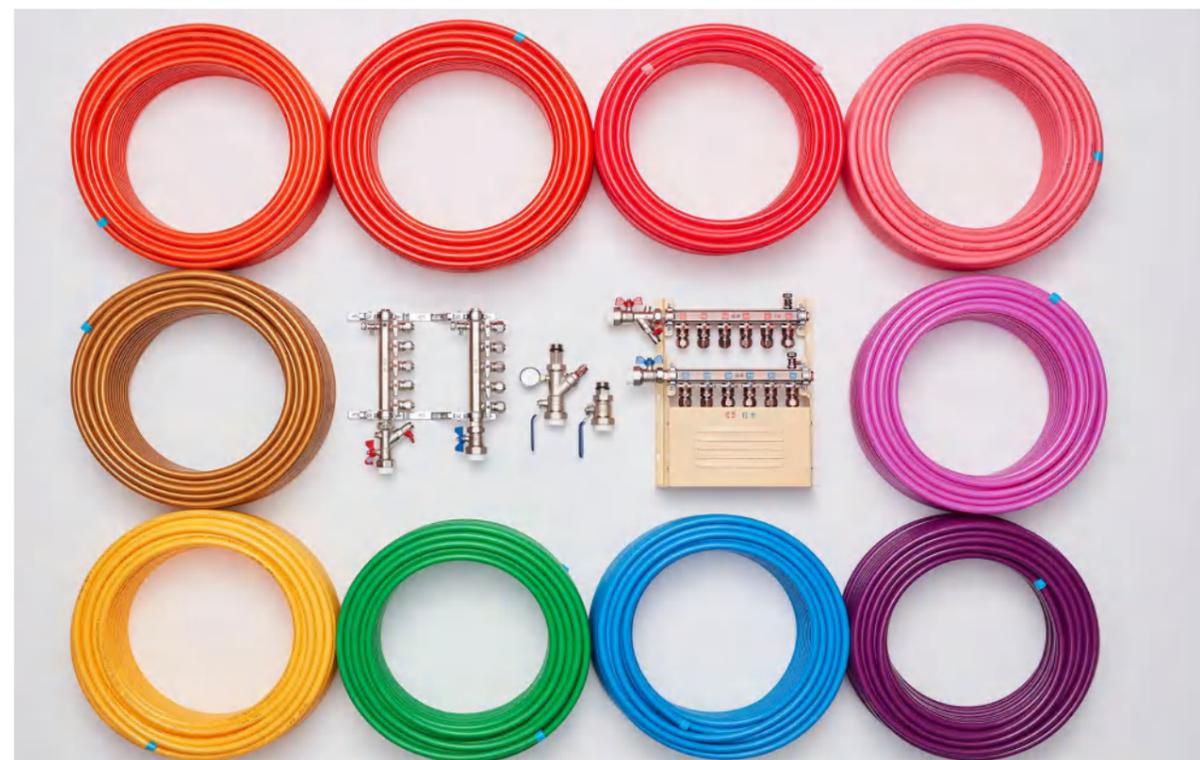


No.	Issue Name ¹	Corresponding ESRS Standard
1	Climate Change Adaptation*	ESRS E1 Climate Change
2	Climate Change Mitigation*	ESRS E1 Climate Change
3	Energy*	ESRS E1 Climate Change
4	Air Pollution	ESRS E2 Pollution
5	Water Pollution	ESRS E2 Pollution
6	Water Consumption	ESRS E3 Water and Marine Resources
7	Water Abstraction	ESRS E3 Water and Marine Resources
8	Water Discharge	ESRS E3 Water and Marine Resources
9	Resource Inflows and Use	ESRS E5 Resource Use and Circular Economy
10	Resource Outflows and Reuse in the Full Life Cycle of Products and Services	ESRS E5 Resource Use and Circular Economy
11	Waste	ESRS E5 Resource Use and Circular Economy
12	Stable Employment*	ESRS E1 Own Workforce ESRS S2 Workers in the Value Chain
13	Reasonable Working Hours	ESRS E1 Own Workforce ESRS S2 Workers in the Value Chain
14	Adequate Remuneration	ESRS E1 Own Workforce ESRS S2 Workers in the Value Chain

¹Issues whose names are marked with * and presented in bold are those with double materiality.

No.	Issue Name	Corresponding ESRS Standard
15	Social Dialogue*	ESRS E1 Own Workforce
16	Freedom of Association, Existence of Trade Unions, and Employees' Rights to Information, Consultation, and Participation	ESRS E1 Own Workforce
17	Collective Bargaining, Including Employee Coverage under Collective Agreements	ESRS E1 Own Workforce
18	Work-Life Balance*	ESRS E1 Own Workforce
19	Health and Safety*	ESRS E1 Own Workforce ESRS S2 Workers in the Value Chain ESRS S4 Consumers and End-Users
20	Gender Equality and Equal Pay for Equal Work*	ESRS E1 Own Workforce
21	Training and Skill Development*	ESRS E1 Own Workforce
22	Employment and Inclusion of Employees with Disabilities	ESRS E1 Own Workforce
23	Measures to Prohibit Violence and Harassment*	ESRS E1 Own Workforce
24	Employee Diversity	ESRS E1 Own Workforce
25	Child Labor	ESRS E1 Own Workforce ESRS S2 Workers in the Value Chain
26	Forced Labor	ESRS E1 Own Workforce ESRS S2 Workers in the Value Chain
27	Respect for Privacy*	ESRS E1 Own Workforce

No.	Issue Name	Corresponding ESRS Standard
28	Freedom of Association, Including the Existence of Trade Unions	ESRS S2 Workers in the Value Chain
29	Collective Bargaining	ESRS S2 Workers in the Value Chain
30	Corporate Culture*	ESRS G1 Business Conduct
31	Whistleblower Protection*	ESRS G1 Business Conduct
32	Supplier Relationship Management and Payment Practices*	ESRS G1 Business Conduct
33	Prevention, Detection, and Training on Corruption and Bribery*	ESRS G1 Business Conduct
34	Incidents of Corruption and Bribery*	ESRS G1 Business Conduct



Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream / Own / Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact / Risk/Opportunity
Climate Change – Climate Change Adaptation	Impact	Company's Own Operations	Long-term	The Company conducts emergency drills to proactively adapt to climate shocks and disasters, ensuring stable supply for downstream customers.
	Risk	Company's Own Operations	Long-term	Extreme weather may disrupt the Company's continuous production and operations, directly halting production and reducing revenue.
Climate Change – Climate Change Mitigation	Impact	Company's Own Operations	Long-term	The Company's climate change mitigation measures can directly reduce pressure on the ecological environment and provide key support for mitigating global climate warming.
	Risk	Company's Own Operations	Long-term	Failure to implement climate change mitigation measures will make it difficult for the Company to meet policy requirements of various countries, leading to higher compliance costs and operational costs.
Climate Change – Energy	Impact	Company's Own Operations	Long-term	The Company's manufacturing processes consume energy and generate significant greenhouse gas emissions, exerting negative impacts on the environment and exacerbating global climate warming.
	Risk	Company's Own Operations	Medium-term	Energy shortages will severely affect the Company's long-term production and operations, driving up energy costs and compressing profit margins.

Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream /Own/ Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact /Risk/Opportunity
Climate Change – Energy	Opportunity	Company's Own Operations	Long-term	Investing in energy efficiency improvement and renewable energy can reduce long-term operational costs and build a green brand image.
Own Workforce – Stable Employment	Impact	Company's Own Operations	Medium-term	As a manufacturing enterprise, we provide a large number of jobs for workers, supporting social progress and development.
	Risk	Company's Own Operations	Long-term	A shortage of workers will force the Company to invest more resources in recruiting employees to maintain normal production and operations.
Own Workforce – Social Dialogue	Impact	Company's Own Operations	Long-term	The Company provides diverse communication and complaint channels for employees, fully listens to their voices, and creates a better working environment for them.
	Opportunity	Company's Own Operations	Long-term	Fully addressing employees' suggestions can improve their work efficiency and enthusiasm, thereby increasing operating income in the long run.
Own Workforce – Work-Life Balance	Impact	Company's Own Operations	Long-term	The Company organizes leisure activities to enrich employees' lives and motivate their enthusiasm.

Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream /Own/ Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact /Risk/Opportunity
Own Workforce – Work-Life Balance	Opportunity	Company's Own Operations	Long-term	A balanced work-life for employees can enhance their work efficiency and create additional value for the Company.
Own Workforce – Occupational Health and Safety	Impact	Company's Own Operations	Long-term	A sound occupational health and safety management system can reduce the risks of work-related injuries and occupational diseases, safeguarding employees' physical and mental health.
	Risk	Company's Own Operations	Long-term	Major safety accidents involving employees will result in the Company bearing high compensation, medical expenses, and subsequent resettlement costs.
Own Workforce – Gender Equality and Equal Pay for Equal Work	Impact	Company's Own Operations	Long-term	Equal pay for equal work protects employees' economic rights and eliminates implicit pay discrimination.
	Opportunity	Company's Own Operations	Long-term	Equal rewards can stimulate employees' work enthusiasm and initiative, improving their efficiency and the Company's operating income.
Own Workforce – Training and Skill Development	Impact	Company's Own Operations	Long-term	Providing employees with training and development opportunities helps them realize their potential.
	Opportunity	Company's Own Operations	Long-term	Employees with proficient knowledge and skills will create more revenue streams and opportunities for the Company through innovation.

Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream /Own/ Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact /Risk/Opportunity
Own Workforce – Measures to Prohibit Violence and Harassment	Impact	Company's Own Operations	Long-term	Prohibiting violence and harassment creates a safer and more comfortable working environment for employees.
	Risk	Company's Own Operations	Long-term	Violence and harassment will reduce employees' satisfaction with the Company, leading to talent loss and lower revenue.
Own Workforce – Respect for Privacy	Impact	Company's Own Operations	Long-term	The Company respects employees' privacy and protects their rights and interests.
	Risk	Company's Own Operations	Long-term	Leakage of employees' privacy by the Company will lead to serious compliance issues and increased compliance costs.
Value Chain Workers – Stable Employment	Impact	Upstream Supply Chain	Long-term	The Company disseminates social responsibility requirements to the supply chain, promoting its transformation.
	Risk	Company's Own Operations	Long-term	Social responsibility risks in the supply chain will affect its stability and increase procurement costs.
Value Chain Workers – Occupational Health and Safety	Impact	Upstream Supply Chain	Long-term	Upstream enterprises in our supply chain are manufacturing-oriented, where employees' occupational health and safety are top priorities.

Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream /Own/ Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact /Risk/Opportunity
Value Chain Workers – Occupational Health and Safety	Risk	Upstream Supply Chain	Long-term	Failure to manage occupational health and safety risks for supply chain workers will damage the supply chain, disrupt the Company's production, and lead to higher direct production costs, as well as increased liquidated damages and compensation due to delayed order delivery.
Consumers and End-Users – Health and Safety Protection	Impact	Downstream Customers	Long-term	Our products undergo strict quality inspections and high-standard material selection, ensuring quality, safety, and reliability. We also offer a "double quality assurance" to protect consumers' health and safety.
	Risk	Downstream Customers	Long-term	Customers have higher requirements for product quality standards, as well as increased expectations for supply cycles and after-sales services, posing new demands on the Company's production, quality, and after-sales management.
	Opportunity	Downstream Customers	Long-term	Intensified market competition makes customers more inclined to choose products with guaranteed quality, bringing more operating income and potential development opportunities for us.
Business Conduct – Corporate Culture Building	Impact	Company's Own Operations	Long-term	The Company's values, behaviors, and norms can enhance stakeholders' trust in us.

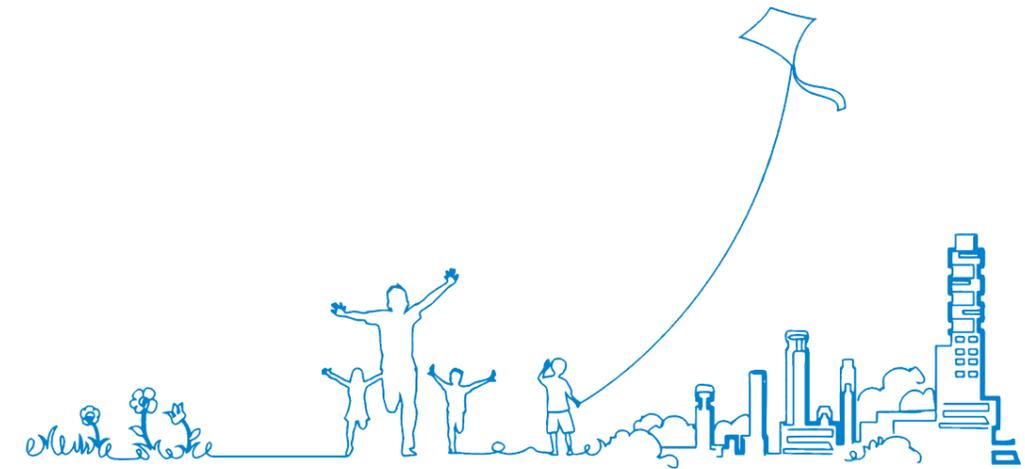
Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream /Own/ Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact /Risk/Opportunity
Business Conduct – Corporate Culture Building	Opportunity	Company's Own Operations	Long-term	Our compliance-oriented corporate culture can unify team consensus and reduce compliance costs.
Business Conduct – Whistleblower Protection Mechanism	Impact	Company's Own Operations	Long-term	A sound whistleblower protection mechanism can identify and stop potential compliance and operational risks at an early stage.
	Risk	Company's Own Operations	Long-term	The absence of a whistleblower protection mechanism will increase the Company's risk of facing significant fines, lawsuits, and reputational damage.
Business Conduct – Supplier Relationship and Payment Practice Management	Impact	Upstream Supply Chain	Long-term	Strengthening environmental and social risk management in the supply chain helps ensure its stable operation.
	Risk	Upstream Supply Chain	Long-term	Poor supply chain management will lead to increased procurement costs.
Business Conduct – Prevention, Monitoring, and Training on Corruption and Bribery	Impact	Company's Own Operations	Long-term	Systematic business ethics training and management internalize values into decision-making criteria for all employees, promoting the Company's stable operations.
	Risk	Company's Own Operations	Long-term	Weak awareness of business ethics will increase the Company's compliance risks and operational costs.

Material Issue	Impact / Risk / Opportunity	Value Chain Impact (Upstream /Own/ Downstream)	Impact Time Horizon (Short-term: 1 year, Medium-term: 1-5 years, Long-term: 5-10 years)	Description of Impact /Risk/Opportunity
Business Conduct – Risk Incident Management	Impact	Company's Own Operations	Long-term	The occurrence of business ethics incidents will have a negative impact on the Company's operations and reduce the confidence of stakeholders such as investors, customers, and regulatory authorities.
	Risk	Company's Own Operations	Long-term	Business ethics incidents may damage the Company's reputation and affect its ability to access capital.



IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

To systematically conduct the double materiality assessment, we have established a five-step assessment process with reference to the core requirements of ESRS:



1. Understanding of Company Background

In this step, we have sorted out and analyzed the specific operation status of the Company and the characteristics of the upstream and downstream value chains. By comprehensively considering the Company's business activities, products and services, upstream and downstream partnerships, geographical location, industry, legal and regulatory requirements, etc., we have evaluated the affected stakeholders, and finally formed a business model canvas that is in line with the Company's own characteristics and actual operation.

2. List of Potential Sustainability Issues

In this step, we have identified and listed potential material sustainability issues, covering various related topics in the three dimensions of society, environment and governance under the scope of sustainability. Our issue identification is guided by Article 16 (AR 16) of ESRS 1 (European Sustainability Reporting Standards). With reference to the issues of concern in the industry, the focus of sustainability reports of industry peers, the focus of stakeholders, and combined with the actual operation of the Company, we have formed a list of potential material sustainability issues, laying the foundation for the subsequent double materiality assessment.

3. Analysis of Impacts, Risks and Opportunities (IROs)

In this step, we have transformed the list of sustainability issues into specific impacts, risks and opportunities. For each issue, we have analyzed it from three dimensions: potential or actual impacts, financial risks and financial opportunities. With reference to ESRS, we have provided a detailed description of each IRO, clarified the impact link of the IRO in the value chain, and the time span corresponding to the impact (divided into short-term, medium-term and long-term). Through this concrete description, we ensure that the double materiality assessment of stakeholders is based on specific IROs rather than generalized issues, so as to improve the accuracy and depth of the assessment.

4. Assessment of Material Issues

In this step, we have invited stakeholders such as senior executives, employees, upstream suppliers, downstream customers, government regulatory authorities and external sustainability experts to independently evaluate and provide feedback on the double materiality of each issue through questionnaires. Regarding the impact materiality of the issue, stakeholders need to evaluate it from four dimensions: scale, scope, irreparability and impact probability; regarding the financial materiality of the issue, stakeholders need to evaluate it from six dimensions: financial status, business continuity, financing availability, reputation impact, human capital and impact probability. Through this comprehensive and detailed assessment of each issue, we have deeply explored the focus of stakeholders.

5. Confirmation of Material Issues

In this step, we have comprehensively analyzed the survey results of stakeholders, scientifically set quantitative and qualitative assessment thresholds for double materiality issues, and selected core issues with impact materiality and financial materiality. After discussion, review and final confirmation with the Company's senior management, we have finally determined our list of double materiality issues, including: ESRS E1 Climate Change, ESRS S1 Own Workforce, ESRS S2 Workers in the Value Chain, ESRS S4 Consumers and End-Users, and ESRS G1 Business Conduct. In accordance with the requirements of ESRS, this report has fully disclosed the content of each double materiality issue.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Based on the results of the double materiality assessment, the Company has identified the following topics for disclosure in accordance with ESRS: ESRS E1 Climate Change, ESRS S1 Own Workforce, ESRS S2 Workers in the Value Chain, ESRS S4 Consumers and End-Users, and ESRS G1 Business Conduct. Detailed descriptions of the material impacts, risks, and opportunities related to these topics will be provided in the corresponding chapters of this Report.

In addition to disclosing the management measures for the material topics identified through the double materiality assessment, the Company has established a systematic management and control system for the two topics of pollutant management and resource use and circular economy to comprehensively manage environmental impacts. Regarding the topic of affected communities, the Company continuously conducts public welfare activities to fulfill its corporate social responsibility. Although these topics are not included in the materiality list, we are still willing to share our progress with stakeholders to ensure the coverage and implementation of all-dimensional sustainability governance and demonstrate the Company's comprehensive actions towards sustainability.

Pollutant Management

The Company strictly adheres to the principle of pollutant reduction and abides by the bottom line of compliant pollutant discharge and waste management. It fully complies with laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law, Solid Waste Pollution Environment Prevention and Control Law, and Noise Pollution Prevention and Control Law. A series of internal management and control systems have been formulated and implemented to continuously strengthen the governance efficiency of emissions such as wastewater, waste gas, solid waste, and noise.

- **Waste Gas Treatment:** The Company strictly conducts air pollutant governance in accordance with the requirements of environmental impact assessments and internal control standards. It also regularly entrusts third-party institutions with professional qualifications to conduct waste gas emission testing to ensure that the concentration of various pollutants meets the emission limits.
- **Wastewater Treatment:** Cooling water in the production workshops is recycled at a rate of 100%, and no industrial wastewater is generated in the production process. Domestic sewage is uniformly connected to the municipal pipe network and centrally treated by the municipal sewage treatment plant to ensure compliant discharge.
- **Waste Management:** For general solid waste, the Company implements classified management and control. Recyclable solid waste (such as stretch film, stretch film paper tubes, and raw material bags) is uniformly placed by workshops and transferred to warehouses for centralized recycling and treatment. Non-recyclable solid waste is further divided into three categories: industrial waste, domestic waste, and kitchen waste, which are regularly collected and disposed of by qualified units. For hazardous waste, the Company strictly complies with the requirements of relevant laws and regulations such as the Solid Waste Pollution Environment Prevention and Control Law of the People's Republic of China. It sets up dedicated warehouses that meet standard requirements for the proper temporary storage of hazardous waste generated during production and operation, and entrusts qualified units for timely transfer and treatment. Before disposal, registration is completed through the hazardous waste transfer platform of the environmental protection department.

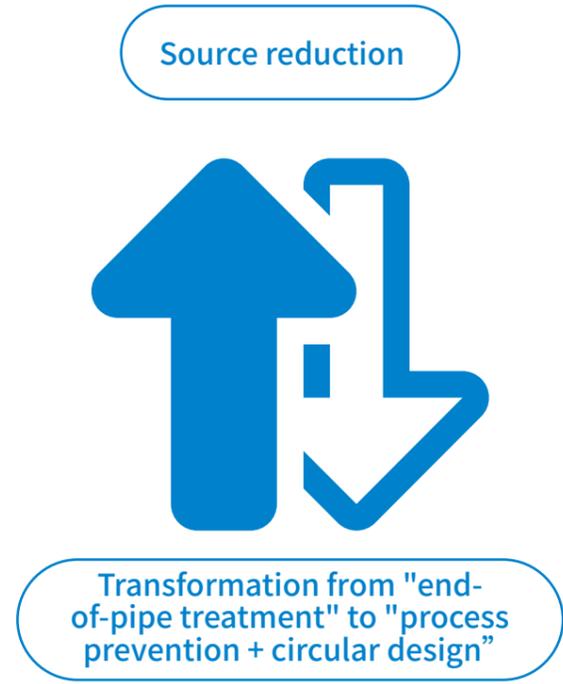
In 2023, the Company was awarded the title of "Foshan Clean Production Enterprise", which fully demonstrates the Company's practical achievements in the field of clean production, such as efficient resource use and pollution source reduction. During the reporting period, the Company achieved zero major environmental pollution incidents, with a 100% compliance rate of pollutant discharge and no environmental violations recorded throughout the year.



Resource Use and Circular Economy

During the reporting period, the Company formulated the Regulations on Resource Use and Circular Economy Management, which clarifies the core principles of "Reduction, Reuse, and Recycling" covering the entire life cycle of products, sets quantitative targets related to resource use and circular economy, and reviews the progress of target implementation on an annual basis.

The Company will continuously focus on source reduction and circular closed-loop management: On one hand, by improving process stability, the generation of waste will be directly reduced at the source. The Company has set a quantitative target for the "first-pass yield of manufacturing processes" and continuously tracks and monitors it; On the other hand, it will promote the transformation of waste management from "end-of-pipe treatment" to "process prevention + circular design", continuously explore the compliant application of recycled materials in products, and finally achieve dual optimization of environmental benefits and operational efficiency.



Affected Communities

Upholding the original aspiration of public welfare, the Company contributes to society to help a broader group of people and promote the development of public welfare undertakings. Since 2017, Rifeng Group has launched the "Rifeng" public welfare program, and has been continuously exploring the path of public welfare, integrating public welfare undertakings into the brand's core value through practical actions. The Company actively responds to the Group's call and participates in public welfare activities, including student assistance, poverty alleviation, elderly support, disaster relief, environmental protection, and optimization of teaching environments, to create more value for society through practical actions and practice the value concept of "Committed to Long-Term Protection".

The Company firmly provides financial support for public welfare. Since 2023, Rifeng Public Welfare has deeply integrated with the Rifeng Safety Guard brand service and launched the "Rifeng Safety Guard RMB1 Donation Campaign". For each household served by Rifeng Safety Guard, Rifeng donates RMB 1 on behalf of consumers to support for public welfare student assistance, empower rural education, and make Rifeng Public Welfare an initiative for all people. Through repeated practice, the Company has normalized public welfare actions to provide long-term help and support for different social groups under hardship.



The Company firmly implements public welfare initiatives. It conducts regular special student assistance programs every year. Sales staff and regional agents in various regions go to the front line to conduct on-site visits and investigations, eliminate intermediate links, and accurately identify the groups in need of assistance, ensuring that kindness truly reaches those in need. The Company focuses on caring for outstanding students from special groups such as families with financial difficulties and students with disabilities, alleviating the pressure on their academic journey.

In 2025, Rifeng Group, in conjunction with the Sichuan Suoma Charity Foundation, established the first Rifeng Suoma Class, marking that a leading enterprise in home improvement pipeline industry has systematically carried out educational public welfare practices in the form of "whole-class support" for the first time. To benefit more children, Rifeng Group pioneered an educational public welfare model in home improvement pipeline industry, shifting from "one-time donations" to "long-term follow-up on financial support". Rifeng not only "cares for" the current education of children in mountainous areas, but also "nurtures" their aspiration for progress and promising future. The launch of this project represents an upgrade of Rifeng's public welfare student assistance initiative, aiming to build a more precise assistance mechanism. From 2025 onwards, Rifeng and its public welfare partners will conduct on-site visits to students' families, communicate face-to-face with students and their parents to understand family income and expenditure, living environment, and students' academic performance. All collected information will be evaluated from multiple dimensions to ensure that supplies are accurately delivered to students in urgent need of support. 2025 marks the 9th year of Rifeng's public welfare initiatives. Its student assistance efforts have covered more than 300 cities across the country, supporting over 1,500 students in remote areas and renovating educational facilities in nearly 40 schools.



Rifeng Suoma Class Opening Ceremony

Rifeng Group public welfare microfilm "I'm not a child no one cares about"

In the planning and implementation of public welfare activities, the Company also integrates the characteristics of its own business products, enabling business practices to better empower social welfare. Upholding the vision of "Healthy Growth", Rifeng Sanitary Ware has been replacing and installing healthy faucets for free to rural schools since 2022, improving students' handwashing environment, renewing rural children's health awareness and living environment, safeguarding their growth, and conveying social hope.



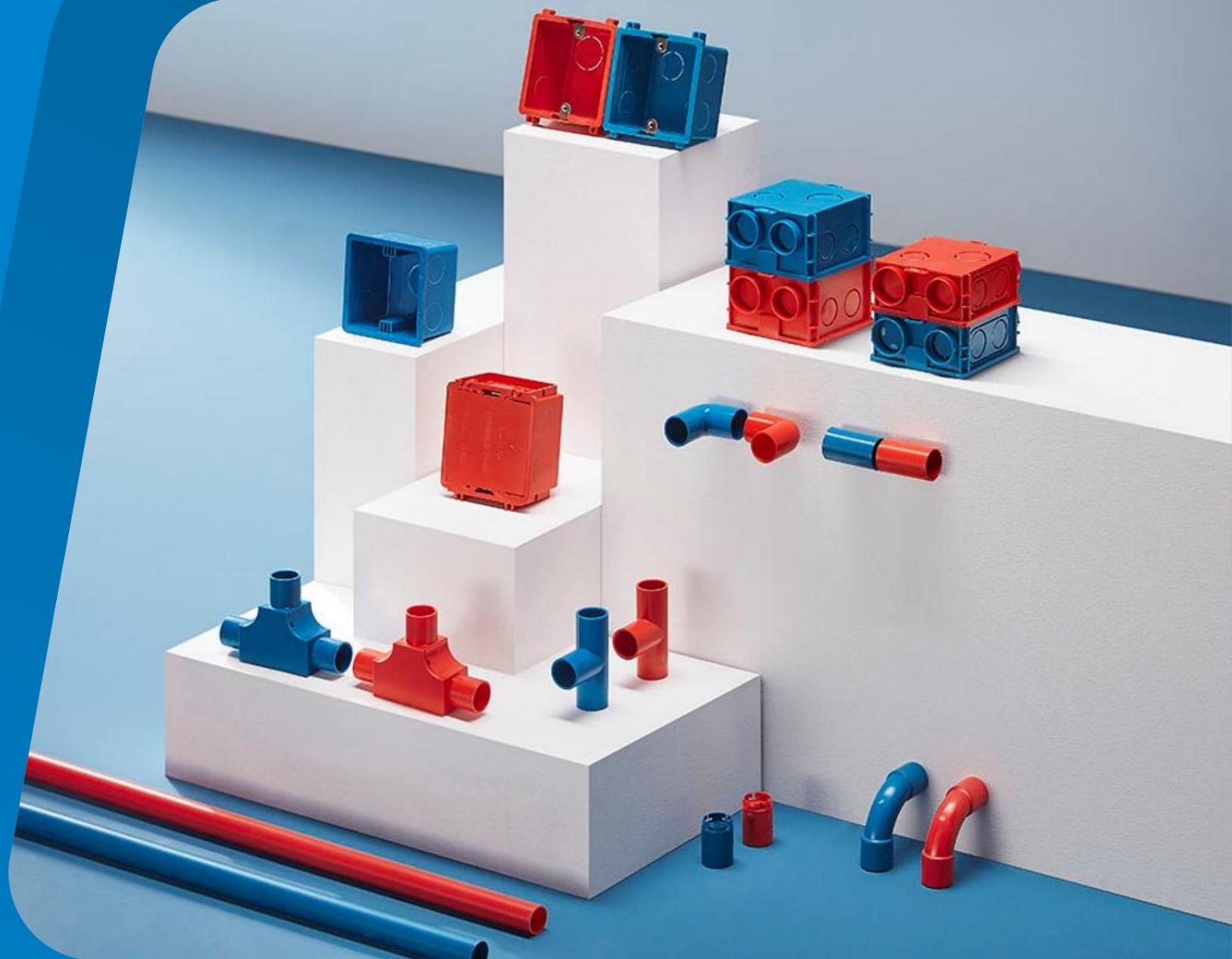
In addition, to address issues in rural primary and secondary schools such as shabby teaching facilities, lack of standard running tracks, and incomplete facilities of basketball and football playground, the Company takes the initiative to promote campus renovation projects. It donates to build libraries for schools and provides teaching materials such as books, desks, and chairs. Regional agents follow up on the implementation throughout the process to ensure that all supplies are accurately delivered, effectively creating a safer and more comfortable learning environment for rural children. Through these efforts, the Company contributes to educational equity and safeguards the growth dreams of children.

²"Rifeng Sanitary Ware" refers to the sanitary ware brand under Rifeng Group, of which related products are manufactured by and have long been submitted to Rifeng Foshan for professional inspection.

02

ESRS E1 Climate change

- E1.OV-3 Integration of sustainability-related performance in incentive schemes
- E1-1 Transition plan for climate change mitigation
- E1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
- E1.IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities
- E1-2 Policies related to climate change mitigation and adaptation
- E1-3 Actions and resources in relation to climate change policies
- E1-4 Targets related to climate change mitigation and adaptation
- E1-5 Energy consumption and mix
- E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions



ESRS E1 Climate change

E1.GOV-3 Integration of sustainability-related performance in incentive schemes

At present, we have not yet incorporated climate management performance into the remuneration structure of the governance bodies. However, in terms of the implementation of climate change issues, we have included energy management into the quarterly and annual key assessment indicators of the Infrastructure and Equipment Department. Through quantitative assessment, we promote the improvement of energy efficiency and effectively advance energy conservation and emission reduction.

E1-1 Transition plan for climate change mitigation

Currently, we have not yet formulated a special climate mitigation transition plan. However, through measures such as improving energy efficiency, optimizing the energy structure, and deploying renewable energy, we have made steady progress in mitigating climate change and enhancing resilience in response to physical climate risks. In the future, we will introduce a systematic climate mitigation transition plan in a timely manner, set goals aligned with the requirements of the Paris Agreement to limit global temperature rise to 1.5 degrees Celsius, and implement climate mitigation actions.

E1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

We are deeply aware of the impact of climate change on the ecological environment and the potential risks and challenges it poses to the Company's long-term production and operation. Therefore, we will gradually promote climate change response management. While actively adapting to climate change, we will proactively take climate change mitigation measures, with green transformation as the main direction. We will continuously optimize the energy consumption of production and operation processes, reduce carbon emission intensity, and protect the ecological environment through practical actions, earnestly fulfilling the social responsibility of a corporate citizen.

After comprehensive assessment and in-depth analysis by stakeholders, with reference to the relevant sub-issue framework specified in ESRS, the Company has identified "climate change adaptation", "climate change mitigation" and "energy" as the key focus issues in the field of climate change, laying the main direction for subsequent targeted and systematic responses to climate change. For the description of the material impacts, risks and opportunities of each issue, please refer to ESRS 2 SBM-3.

E1.IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

In this year's double materiality assessment and related analysis, the Company conducted an assessment focusing on the impacts, risks and opportunities (IROs) of the identified material issues. Among them, the Company has incorporated climate change issues into the overall risk and opportunity assessment system of the Company. Through the three-dimensional assessment model of "severity - probability of occurrence - detectability", the level of each climate-related risk and opportunity has been clarified; at the same time, targeted risk response plans and opportunity implementation measures have been matched, and the responsible departments corresponding to each item have been specified.

Analysis of Climate Risk and Opportunity Assessment

Risk	Description	Assessment Level (Low/Medium/High)	Response Measures	Potential Associated Opportunities
Physical Risks				
Acute Risks	<ul style="list-style-type: none"> Extreme weather affecting production facilities: Extreme weather such as floods and high temperatures leading to shutdowns of production facilities, asset damage, or supply chain disruptions; Extreme weather affecting employee health: High-temperature extreme weather affecting employee health and safety, increasing the probability of work-related injury incidents. 	Medium	<ul style="list-style-type: none"> Monitor meteorological information and provide early warnings in case of emergencies; Formulate emergency response plans, consider promoting disaster prevention transformations of facilities and insurance coverage; Promote the construction of supply chain resilience to enhance the overall risk resistance capacity; Develop labor protection plans for extreme weather such as high temperatures. 	<ul style="list-style-type: none"> Develop climate-adaptive materials/products such as waterproof and high-temperature resistant ones to meet the needs of extreme weather; Enhance the climate resilience of own operations and supply chains.

Risk	Description	Assessment Level (Low/Medium/High)	Response Measures	Potential Associated Opportunities
Transition Risks				
Market and Technology Risks	<ul style="list-style-type: none"> Changes in product demand and technological iteration: Due to changes in consumer preferences and increased ESG requirements from customers, market demand for traditional high-carbon products declines, and existing technology paths are difficult to meet low-carbon development requirements; Gap in green skilled talents: The lack of green technology talents affects the Company's low-carbon transformation process. 	Medium	<ul style="list-style-type: none"> Increase investment in low-carbon technology research and development to promote the upgrading of product structure towards a low-carbon direction; Conduct green skills training and formulate talent reserve plans in the low-carbon field; Establish an ESG information disclosure mechanism to enhance transparency and customer confidence. 	<ul style="list-style-type: none"> Develop green product lines to respond to customers' ESG requirements and low-carbon market demand, and enhance the green competitiveness of products; Build a green employer brand to attract outstanding talents in the low-carbon field.

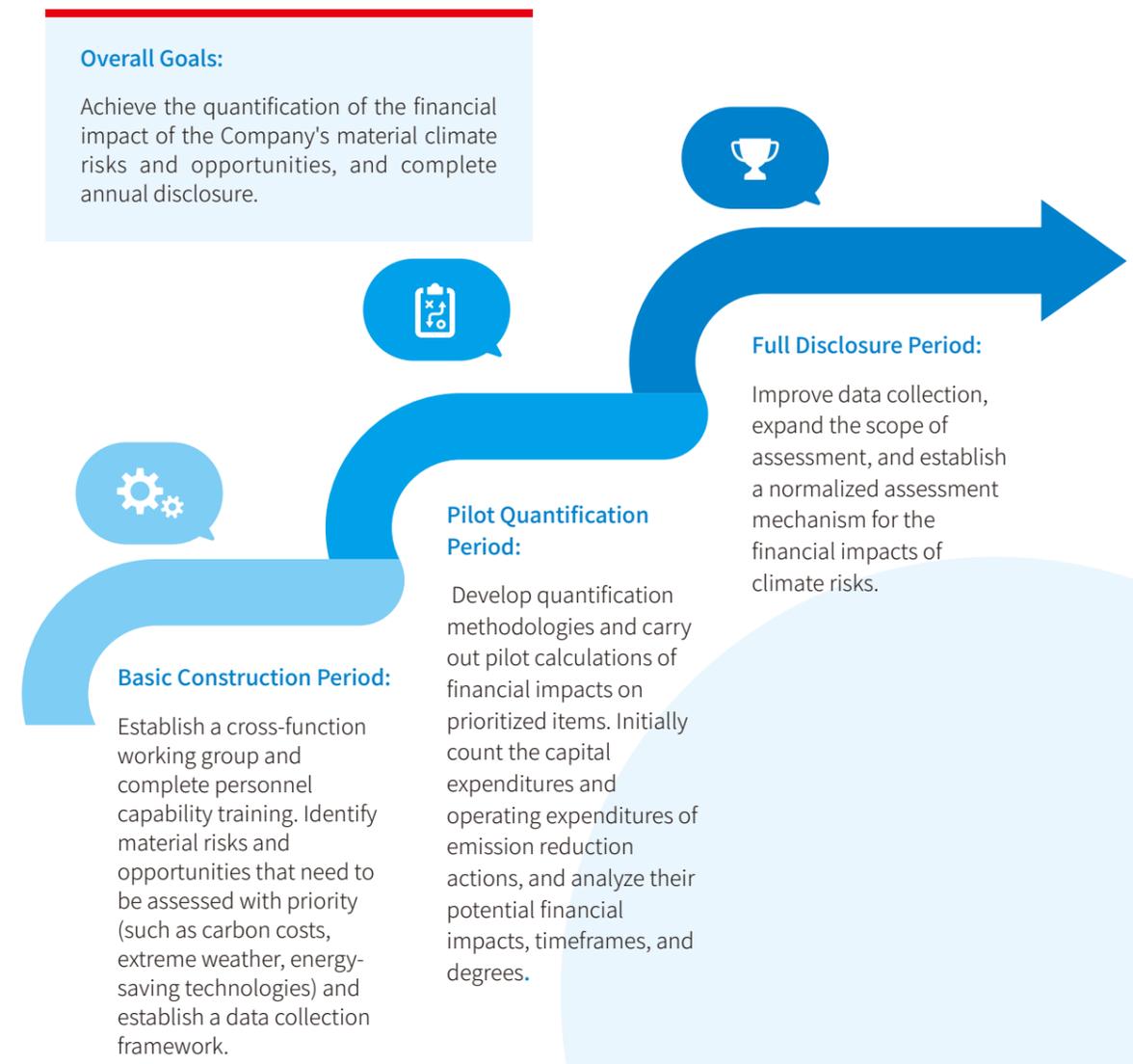
In this year's climate risk and opportunity assessment and analysis, we have identified two types of transition risks, which are specifically manifested as follows: First, the risk of changes in product demand and technological iteration. Affected by changes in consumers' low-carbon preferences and increased ESG requirements from customers, market demand for traditional high-carbon products has declined, and existing technology paths are difficult to meet low-carbon development requirements; Second, the risk of a gap in green skilled talents. The lack of professionals in green technology may slow down the Company's low-carbon transformation process.

Regarding physical risks, the Company has identified that extreme climates may lead to the shutdown of the Company's production facilities, asset damage or supply chain disruptions, and may also increase the risk of employee health and safety and the probability of work-related injury incidents. As such, the Company has clarified a series of response measures. For extreme climate scenarios such as typhoons and heavy rains, we have formulated special documents such as the "Environmental and Safety Emergency Handling Procedures" and "Emergency Response Plan for Natural Disasters (Typhoons)", clarifying the management team and their division of responsibilities, and establishing a normalized climate information monitoring mechanism and smooth internal communication channels; through conducting emergency drills and building a response system for climate shocks and disasters in advance, the Company has enhanced adaptability to ensure a stable risk resistance level, strengthened the risk resistance capacity of the entire chain, and formulated labor protection plans under extreme weather such as high temperatures to reduce the risk of employee operations.

The above risks also correspond to potential associated opportunities. For physical risks, climate-adaptive materials and products such as waterproof and high-temperature resistant ones can be developed to meet the needs of extreme weather, while enhancing the climate resilience of own operations and supply chains; for transition risks, the Company can deploy green product lines to respond to customers' ESG requirements and low-carbon market demand, enhance the green competitiveness of products, and also build a green employer brand to attract outstanding talents in the low-carbon field.

Consistent with the overall double materiality assessment, this assessment focuses on short-term, medium-term and long-term dimensions, covering business activities that the Company is familiar with and has a deep understanding of.

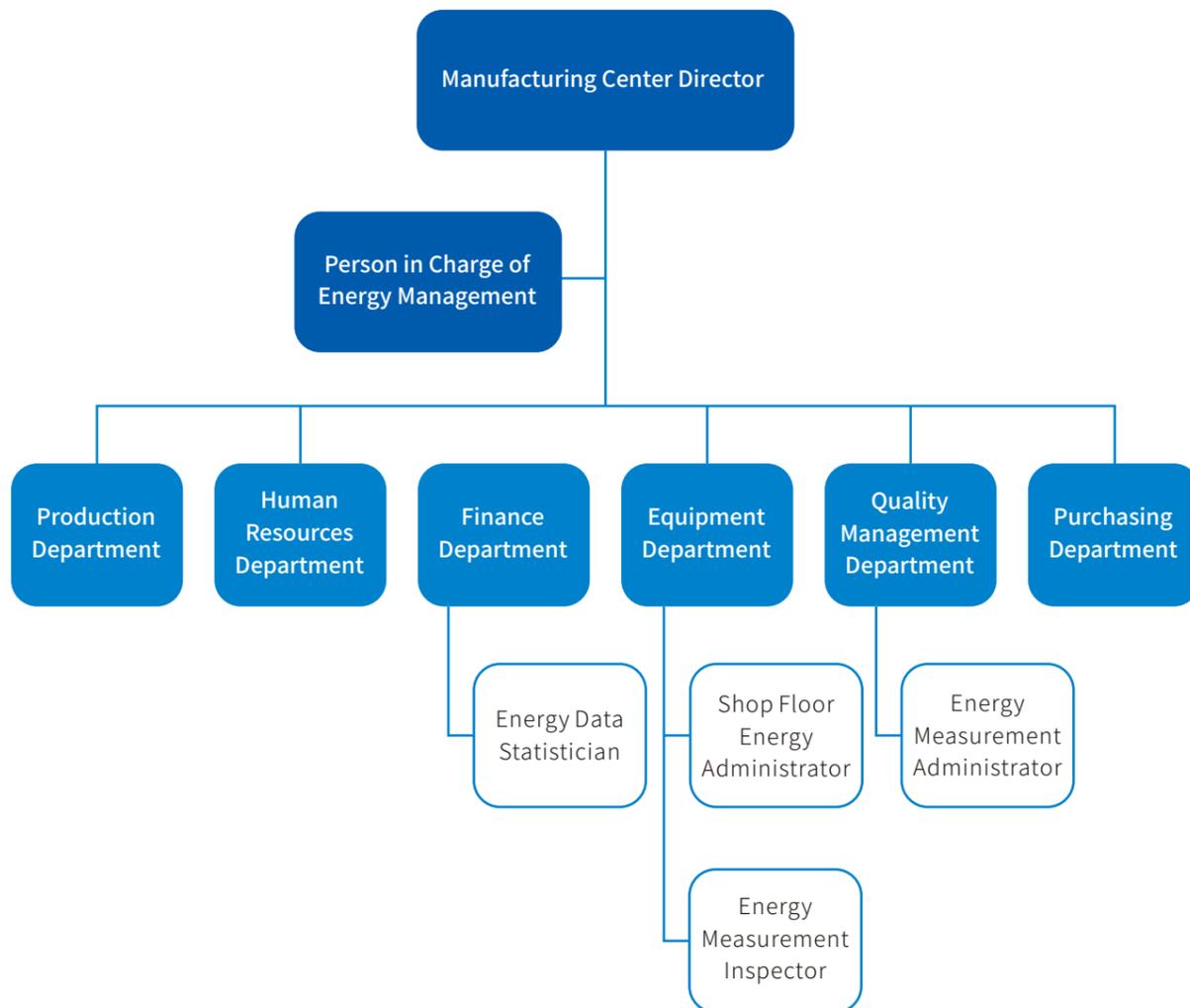
We understand that the quantification and disclosure of climate risks are crucial for improving governance transparency and strengthening sustainability resilience. Currently, there is still room for optimization in the Company's understanding and management of climate risks. Therefore, we plan to gradually promote the quantification of the financial impact of climate risks and annual disclosure.



E1-2 Policies related to climate change mitigation and adaptation

Although climate management is still in initial stage, the Company attaches great importance to energy conservation and efficient utilization in the production and operation process, and has established and continuously improved the energy management system, and taken a number of important energy-saving and consumption-reduction measures.

In accordance with the requirements of the ISO 50001 Energy Management System, we have established a series of energy management systems, clarifying the management structure of energy measurement and the responsibilities of relevant departments.



At the same time, we have realized real-time monitoring of energy consumption data of key energy-consuming equipment and public equipment in the plant area. This not only resolves the burden of traditional manual meter reading but also extends the data retention period, providing strong data support for energy-saving technological transformation and consumption reduction, and effectively promoting the implementation of energy-saving and consumption reduction. By the end of the reporting period, the Company has obtained the ISO 50001 Energy Management System Certification.



E1-3 Actions and resources in relation to climate change policies

Currently, the Company has carried out a number of energy-saving and emission-reduction actions relating to production and operation. In terms of the assessment mechanism, the Company has incorporated energy management-related indicators into the quarterly and annual key performance assessments of the Infrastructure and Equipment Department, driving the implementation of energy-saving responsibilities through assessment mechanisms.

In terms of improving equipment energy efficiency, the Company continuously improves energy use efficiency through strengthening the management of production and operation equipment and promoting the transformation and optimization of production processes. In addition, the company has implemented real-time energy consumption monitoring for over 300 equipment, including extruders, air compressors, and air conditioners, through smart electricity meters, PLC (Programmable Logic Controller) data acquisition, and IoT (Internet of Things) gateway systems. The system automatically conducts total energy consumption analysis, sub-item analysis, unit product energy consumption analysis, and load curve analysis to identify abnormal energy consumption and energy-saving potential. When energy consumption exceeds the threshold, abnormal trends occur, or equipment is idling, the Rifeng IoT Messenger sends automatic alerts to the relevant responsible persons, enabling refined management of energy consumption.

Case: Energy Consumption Optimization and Transformation Project

From January to December 2023, we continued to promote the energy consumption reduction transformation of the PPR injection molding workshop. For the equipment with top three energy consumption percentage in the workshop (including injection molding machines, water pump rooms, and central feeding systems), 8 optimization measures were implemented in two directions: improving energy efficiency and reducing hourly energy consumption, which saved over 1,900,000 kWh of electricity in 2025.

Since 2023, to reduce the unit energy consumption of products, we have upgraded and transformed traditional DC motors into permanent magnet motors, achieving an energy consumption reduction of at least 10%, and saving 64,800 kWh of electricity in 2025.

In July 2024, to address the issue of energy waste caused by the continuous operation of cold mixing motors after material emptying (which previously required manual on-off operation), we implemented a technical improvement. A new confirmation mechanism for the completion of cold mixing discharge was added, enabling the cold mixer to start automatically before the hot mixer discharges materials and stop automatically after the discharge process is completed. After the transformation, an annual electricity saving of 477,941 kWh was achieved.



In addition to EPD certificates, a variety of products of the Company have also obtained multiple credible green certifications, such as China Environmental Labeling Product Certification and Green Building Materials Product Certification. From the aspects of hazardous substance control, clean production practices, recycled material application to carbon footprint control, the low-carbon and environmental protection attributes of products throughout their life cycles are further strengthened, building a multi-dimensional and all-round product carbon reduction certification system, and comprehensively consolidating the emission reduction capabilities on the product end.



In terms of the deployment of renewable energy, the Company's photovoltaic power generation project has been officially put into operation since 2021, with an operation mode of "generated electricity for own consumption and surplus connected to the grid". Currently, the total installed capacity has reached 13.09 MW. In 2025, the photovoltaic power generation of this project reached 13,019,800 kWh, driving the Company's overall green electricity usage ratio to 21.67%. At the same time, the Company plans to promote the purchase of green certificates to further expand the channels of obtaining green energy and continuously increase the ratio of green energy use.

Green Products

While continuously deepening energy conservation and consumption reduction on the operation end and consolidating the foundation for carbon reduction, the Company further extends the concept of carbon reduction to the entire life cycle of products, and builds a multi-dimensional carbon reduction system through low-carbon product research and development and certification.

Focusing on the main direction of energy conservation and emission reduction, 11 products have successfully obtained Environmental Product Declaration (EPD) certificates. This certification is based on the ISO 14025 international standard and the Life Cycle Assessment (LCA) method, verified by third-party authoritative institutions. It accurately quantifies key emission reduction indicators such as carbon emissions and energy consumption throughout the product life cycle, and clearly presents the results of energy conservation and emission reduction. This practice not only provides scientific data support for us to identify energy intensive links and optimize production processes, but also demonstrates with quantitative results, the Company's determination of contributing to green development through emission reduction in product end.

E1-4 Targets related to climate change mitigation and adaptation

At present, we have not yet formulated specific greenhouse gas emission reduction targets. At this stage, we mainly promote emission reduction by setting energy-saving related targets, thereby indirectly promoting the reduction of greenhouse gas emissions and laying the foundation for the subsequent formulation of quantitative emission reduction targets. At the same time, we also continuously address environmental issues through the ISO 14001 Environmental Management System Certification.

E1-5 Energy consumption and mix

Indicator	Unit	2025
Total energy consumption related to own operations ³	MWh	84,470.15
Total energy consumption from renewable energy	MWh	13,019.77
Percentage of renewable energy in total energy consumption	%	15.41
Purchased renewable energy	MWh	13,019.8
Total energy consumption from fossil energy	MWh	11,273.86
Percentage of fossil energy in total energy consumption	%	13.35
Natural gas	MWh	11,044.33
Diesel oil	MWh	229.53
Purchased non-renewable electricity	MWh	60,176.5

³The total energy consumption related to own operations refers to the total energy consumption of Rifeng's production and operation, including fossil energy consumption and renewable energy consumption. Among them, fossil energy consumption includes natural gas, diesel oil, and purchased non-renewable electricity, while renewable energy consumption includes purchased renewable electricity.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

As the Company's climate management is still in the initial stage, the Company has not yet carried out greenhouse gas inventory.



03

ESRS S1 Own workforce

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S1-1 Policies related to own workforce

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-6 Characteristics of the undertaking's employees

S1-7 Characteristics of non-employees in the undertaking's own workforce

S1-11 Social protection

S1-13 Training and skills development metrics

S1-14 Health and safety metrics

S1-15 Work-life balance metrics

S1-17 Incidents, complaints and severe human rights impacts



ESRS S1 Own workforce

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Employees are the core cornerstone of the Company's long-term development. The Company has always adhered to the concept of working and growing together with employees, making every effort to protect the legitimate rights and interests of employees, support their career development, build a long-term training system, and stimulate their potential. After work, the Company also carefully plans a variety of rich and diverse employee activities to help employees achieve work-life balance, relieve job pressure, enhance team cohesion, and improve employees' sense of belonging and satisfaction.

After comprehensive assessment and in-depth analysis by stakeholders, with reference to the relevant sub-issue framework specified in ESRS, the Company has identified eight key focus issues in the field of own workforce, namely "stable employment", "social dialogue", "work-life balance", "occupational health and safety", "gender equality and equal pay for equal work", "training and skill development", "measures to prohibiting violence and harassment", and "respect for privacy". These issues lay the main direction for the subsequent targeted implementation of employee rights protection, talent cultivation and development. For descriptions of the material impacts, risks, and opportunities of each issue, please refer to ESRS 2 SBM-3.



S1-1 Policies related to own workforce



In terms of human resource management policies, the Company strictly follows the Group's Recruitment Management System, Qualification Management System, Employee Performance Management System, Training Management System, Remuneration Management System, and other systems. They clarify recruitment standards to ensure employment equity, match job requirements with qualifications, achieve scientific evaluation through the performance system, support employee development through the training system, and ensure fair treatment through remuneration rules, thereby building a standardized management system. To ensure the system transparency and employees' rights to know, all management systems are uploaded to the Company's internal platform for all employees to access. Meanwhile, special policy briefings and interpretations are conducted during the employee onboarding process to ensure that each employee fully understands the relevant rights, benefits, and requirements.

In 2025, to further strengthen the protection of employees' human rights, the Company formulated the Social Responsibility Management Manual with reference to the BSCI (Business Social Compliance Initiative) standards. This Manual covers all social responsibility activities of the Company and compiles procedural documents such as the Management Procedure for Child Labor and Juvenile Workers, Management Procedure for Forced Labor and Prohibition of Prison Labor, and Management Procedure for Prohibition of Discrimination. They clarify key actions and remedial measures such as prohibiting the use of child labor, protecting the rights and interests of juvenile workers, banning forced labor, and eliminating employment discrimination. The Social Responsibility Management Manual has been uploaded to the Company's OA (Office Automation) platform, accessible to all employees for query and consultation at any time upon log-in. The General Manager of the Company has officially appointed a BSCI/EHS Management Representative, who is fully responsible for the installation, implementation, and continuous update of the BSCI social responsibility management system, promoting the effective implementation of human rights protection requirements.

Key Contents of the Social Responsibility Management Manual

Document Name	Key Contents
Management Procedure for Child Labor and Juvenile Workers	<ul style="list-style-type: none"> Strictly verify the information of job applicants and compare the applicant against the certificates to prevent illegal recruitment due to falsified age information. Absolutely prohibit the use of child labor, firmly oppose any act of using child labor, and not cooperate with any supplier that uses child labor. If child labor is found, immediately notify the Administrative Department to take remedial measures, send the child labor back to their place of origin, or advise the child to attend school for education. Clearly specify the job scope of juvenile workers, and file registration with the Labor Security Office within 30 days of their employment.
Management Procedure for Forced Labor and Prohibition of Prison Labor	<ul style="list-style-type: none"> Strictly abide by national laws regarding forced labor, prohibit engaging in or supporting illegal or inhumane disciplinary actions, forced labor against employees. Support the Business Conduct Code of the International Council of Toy Industries and do not tolerate the use of forced labor. In case of forced labor, employee representatives discuss with the management for solution. If the management fails to take any action to resolve the issue after discussion, the employee representatives and the forced labor involved may report directly to the Public Security Office to pursue criminal liabilities in accordance with the laws.
Management Procedure for Prohibition of Discrimination	<ul style="list-style-type: none"> The Company treats all employees equally in terms of employment, compensation, training, promotion, dismissal, or retirement, and shall not discriminate employees based on race, social status, nationality, belief, age, disability, gender, marital status, sexual orientation, trade union affiliation, political party affiliation, etc. The Company has established a complaint and appeal mechanism to encourage employees to report acts of discrimination, abuse, sexual harassment, etc. and made commitments that employees can file complaints directly to worker representatives, senior managers, or even the General Manager. The Company keeps the information of whistleblowers confidential and gives corresponding rewards. The Company arranges personnel without conflicts of interest to investigate the complaints and take corrective actions in time.

The Company has established a special rights protection system for two specific groups of employees: female employees and employees with disabilities, focusing on their special needs.



- In terms of protecting female employees, the Company strictly follows the Special Provisions on the Labor Protection of Female Employees to safeguard the rights and interests of all female employees (including regular, contract-based, and temporary employees). It clearly stipulates that female employees shall not be subjected to salary cut, dismissal, or employment termination due to pregnancy, childbirth, or breastfeeding, and also defines the jobs prohibited for them. The Company strictly implements the rule of not extending working hours for female employees during pregnancy and lactation, adjusts their jobs or reduces their workload according to job risks, sets up mother and baby rooms to support lactating employees for one hour of breastfeeding time every day, and popularizes knowledge on women's health care. These special arrangements ensure the basic rights and interests of female employees.
- In terms of protecting employees with disabilities, the Company provides comprehensive protection for them from three dimensions: job adaptation, environmental support, and health care, effectively safeguarding their rights to equal employment and development. In terms of job arrangement, the Company flexibly adjusts them to suitable jobs according to their physical conditions and prohibits discrimination against them in recruitment, remuneration, training, promotion processes. In terms of environmental construction, barrier-free facilities are equipped in the workplace, and special dining windows and accessible restrooms are set up in the living area. In terms of health management, regular health examinations are organized to fully cover their work and life needs.



Accessible Restroom



Green Dining Channel

In addition, the Company conducts human rights risk assessments and formulates targeted assessment mechanisms for key areas to fully identify, reduce, and eliminate potential human rights risks. In the dimension of protecting employee health and safety, the Company conducts an annual risk assessment in workplaces, focusing on the safety and health risks of the working environment, and continuously optimizes protective measures through the assessment. In the dimension of safeguarding employees' remuneration rights and interests, the Company evaluates whether the labor income of employees earned within the statutory working hours meets the minimum living needs and complies with the local minimum wage standard, through establishing a scientific calculation model, in combination with actual investigation and statistical analysis.

The Company has established and improved a human rights appeal and protection mechanism, to support employees to report any human rights risks through a dual-system approach, effectively safeguarding their own interests. The Company has formulated the Management Procedure for Handling and Feeding Back Employee Opinions, Suggestions, and Appeals, which clarifies that employees can file appeals regarding any human rights violations, standardizes the appeal channels and handling processes, and registers and archives the opinions and suggestions provided by employees. In addition, through the Management Procedure for Employee and Supplier Complaints, Reports, Confidentiality, and Anti-Retaliation, the Company strictly keeps the information of complainants and whistleblowers confidential, eliminating employees' concerns about reporting from system perspective.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

The Company actively interacts with employees through multiple channels and develops an employee communication and feedback system through closed-loop management of "feedback - analysis - improvement - publicity". It fully respects employees' opinions and incorporates them into management decision-making considerations to create a more satisfactory and comfortable working environment for employees. In terms of channel construction, the Company has established multi-dimensional feedback channels, including employee satisfaction surveys, Rifeng social groups, canteen QR codes, suggestion boxes, and the OA system, to ensure that employees can provide feedback at any time. The Company conducts irregular effectiveness monitoring of employee feedback channels to effectively ensure that employees' feedback receives responses and relevant action is implemented. In 2025, the Company noticed that there was a lack of dedicated feedback channels for administrative and logistics services in public areas such as the canteens. To further expanded the communication channels, the Company added such feedback channels in these areas and regularly reviewed and addressed the feedback every month to ensure that the transmission and resolution channels for employees' demands on logistics remain smooth.

In terms of employee satisfaction surveys, the Company conducts two anonymous surveys on all employees every year, focusing on dimensions such as hygiene status of public areas, restroom condition, arrangement of green plants, use of air conditioners, security services, canteen services, Company vehicle scheduling, dormitory management, and response of administrative services. This comprehensive approach helps the Company understand employees' satisfaction with administrative services. The average satisfaction score of 2025 was 81.3. After the survey, the Administrative Department systematically analyzes the problems, formulates solution programs and implementation plans, and continuously optimizes service details.



Canteen Committee: Speaking for Employees' Dietary Needs

The Company has continuously received feedback related to canteen improvement in employee satisfaction surveys. Considering that employees come from all over the country and have different taste preferences, they often put forward constructive suggestions on the canteen environment and food taste. The canteen management department has specially established a Canteen Committee to promote food optimization. The Committee irregularly inspects the canteen for violations and food safety issues, and invites employee representatives from various departments to hold meetings to systematically collect employees' specific demands for food. It formulates targeted improvement measures based on the feedback and implements them quickly, ensuring that employees have no concerns of food safety and enjoy the meals, and effectively addressing employees' dietary needs.

In terms of Rifeng social groups, the Company has built an exclusive online social platform for employees, which provides a communication platform for employees to express their opinions freely. Employees can share their ideas on the Company's development and communicate with each other to enhance relationships on the platform. It also provides a direct channel for the Human Resources Department to understand the real needs of employees. By regularly paying attention to the opinions in the social groups, the Human Resources Department refines the optimization directions and provides references for subsequent decision-making on measures of improving employee satisfaction, effectively integrating employees' voices into management improvements.

In daily communication, the Company promotes active interaction with employees through departmental seminars and employee interviews, listening to employees' voices and paying attention to their needs in an all-round way. The Human Resources Department conducts interviews with employees at all levels from time to time. Each department also holds seminars to conduct in-depth communication with employees on work progress and living conditions, and collects employees' opinions on the operation of the Company and their department. Meanwhile, at the level of workshop shifts and teams, the management attaches importance to respecting each team member, proactively paying attention to employees' psychological status, and strengthening emotional bonds through sufficient daily interaction.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Currently, the Company has not caused major negative impacts on employees, and there have been no incidents such as child labor, forced labor, violence and harassment, or prohibition of freedom of association or collective bargaining. However, the Company has specially formulated remedial measures for two bottom line issues explicitly prohibited by labor laws around the world, which are social responsibility issues that stakeholders focus on, namely child labor and forced labor. For details, please refer to S1-1.

The Company firmly supports employees in filing appeals and reports through compliant channels, covering various acts of violating rules and disciplines, acts which infringe on the legitimate rights and interests of employees (including but not limited to unfair treatment, sexual harassment, intimidation, etc.), and acts which damage the collective interests of the Company or departments or the rights and interests of individual employees, such as power abuse, or involvement in corruption and bribery. We always safeguard the legitimate rights of employees to file appeals and reports, providing solid support for creating a fair, just, honest, and transparent working environment. Employees can provide feedback or file appeals through channels like suggestion boxes, departmental seminars, employee interviews, and the OA system, or directly provide feedback to the departmental management in person. The Company irregularly checks the feedback from suggestion boxes and the information submitted through various online channels. For opinions or suggestions put forward in person, the management shall respond on the spot; if an immediate response cannot be given, the department shall conduct an investigation to verify the status, then handle the follow-up properly. The Human Resources Department consolidates and sorts out all feedback, establishes a management ledger, and subsequently tracks and supervises the progress and results of complaint handling, to ensure that every feedback is recorded, verified, addressed, and followed up, effectively safeguarding the legitimate rights and interests of employees.

The Company's Human Resources Department and Administrative Department jointly handle complaints, and conduct fair investigations into complaints under the principles of promptness, confidentiality, and objectivity. In accordance with the Management Procedure for Employee and Supplier Complaints, Reports, Confidentiality, and Anti-Retaliation, the Company has set up fixed and confidential venues for receiving whistleblowers on visit by full-time personnel. Irrelevant personnel are not allowed to listen or make queries. It is not allowed for anyone to copy, excerpt, or discuss report letters or materials without approval, and the information of whistleblowers are strictly protected. When the Company issues a notice to reward whistleblowers who have made merit reports, it is also not allowed to disclose the names of the whistleblowers without authorization. The Company strictly prohibits retaliation, and no department nor individual may retaliate against whistleblowers under any excuse. Where occur severe circumstances of triggering a crime, the offender shall be transferred to the Public Security Office as required by the laws to pursue criminal liabilities.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In response to the significant impacts of the Company's operations on employees, the Company attaches importance to the double materiality issues that stakeholders focus on, and through a series of control measures, accurately identifies and reduces related risks, mitigates potential operational impacts, and explores development opportunities in the process of responding to key demands and optimizing management practices. Detailed elaboration on these key issues is as follows.

Stable Employment

The Company actively responds to the key requirements of the United Nations Sustainable Development Goal 8 (Decent Work and Economic Growth), continuously creating diversified job opportunities for society, providing job seekers with stable income security and a clear development platform, and helping them fully realize their personal values. At the same time, the stable supply of employment also enables the Company to gather various high-quality talents. Through talent accumulation and the stimulation of vitality, it injects solid impetus into the continuous innovation and high-quality development of the business.

The Company conducts recruitment activities under the principles of objectivity and fairness, integrity and ability, hire-from-within as priority, and no involvement upon hiring relatives, and eliminates any form of employment discrimination. It also prevents conflicts of interest through the relative avoidance mechanism to ensure the fairness and impartiality of the recruitment process. The Company has diversified recruitment channels, covering internal recruitment, external recruitment, internal referrals, and campus recruitment. For campus recruitment, the Company adheres to the concept of openness and inclusiveness, where no thresholds for schools are set, and proactively invites faculties and students from universities such as Heilongjiang University and Harbin University of Science and Technology to visit and communicate with us, bearing all travel expenses on the Company as a gesture of our sincerity of attracting talents. We actively recruit fresh graduates from various regions across the country, including the Northeast, Northwest, and Southwest, breaking geographical restrictions in recruitment practices, to provide equality in employment and development opportunities for talents from underdeveloped areas and also inject diversified talent vitality into the Company. For other recruitment channels, the Company actively participates in job fairs in neighboring communities, providing local residents with employment opportunities in the vicinity and contributing to the improvement of local employment vitality and economic development. We also flexibly use various social media platforms and professional external recruitment platforms to expand channels of attracting talents in multiple dimensions and efficiently attract various types of outstanding talents.

Social Dialogue

The Company has established multiple communication channels covering employee satisfaction surveys, online social groups, and suggestion boxes, and through channel effectiveness monitoring ensures that demands receive responses and relevant action is implemented. At the same time, relying on channels like department seminars and trade union representative conferences, the Company fully incorporates opinions on issues of employee concern such as remuneration and welfare, and labor protection into management decisions, creating a satisfactory and comfortable working environment. For the specific dialogue mechanism through which the Company optimizes employees' working and living conditions by establishing multiple feedback channels and maintaining close communication with employee representatives, please refer to ESRS S1-2.



Work-Life Balance

The Company attaches great importance to employees' spiritual and cultural life and actual needs, and organizes various themed activities every year to help employees achieve work-life balance, and continuously improve their sense of happiness and team cohesion.

In 2025, the Company launched the Rifeng Sports Season with the theme of "Vibrant Rifeng, Enjoy Sports". By organizing cross-function competitions on badminton, basketball, and table tennis, we fully stimulated the physical and mental vitality of employees and deepened the cooperation and bonding between peers. The Company also launched a 21-day sports check-in program, using positive incentives to guide employees to pay attention to their physical and mental health and persist in physical exercise after work. The Company actively supports employees to set up hobby clubs such as badminton, table tennis, basketball, and football and organize various activities. We regularly rent exclusive venues for the badminton club's weekend activities and provide drinking water. The venue-booking fees for snookers and fitness-related activities are also fully borne by the Company, which provides full support for employees' needs on sports. In addition, the Company holds a "Winter Hiking" activity every year, allowing employees to relieve work pressure and build strong physique through outdoor hiking.

The Company also carefully organizes rich activities such as festival celebrations, singing competitions, Company anniversary, annual ceremonies, employees' birthday parties, and departmental team-building trips, which allow employees to gather together, share happiness, relax physically and mentally, and achieve a proper balance between work and life.



The 12th "Rifeng Cup" Basketball Tournament



Table Tennis Singles Competition



Badminton Competition



Employees' Birthday Party

Occupational Health and Safety

The Company attaches great importance to occupational health and safety management. By building an all-dimensional and closed-loop control system, we systematically prevent safety risks and comprehensively protect employee safety. The Company has obtained ISO 45001 Occupational Health and Safety Management System certification and formulated clear occupational health and safety goals and assessment indicators, covering multiple dimensions such as major safety accidents, environmental protection and safety facilities, and rectification of potential hazards.

Occupational Health and Safety Goals for 2025
1.Zero major safety accidents;
2.Zero occupational health accidents;
3.Zero environmental pollution incidents;

The Company conducts safety hazard inspections and has established a multi-level hazard inspection mechanism, including monthly self-inspections by workshops, monthly random inspections by the Company, and special inspections before holidays. It is required that any identified hazards must be rectified within 15 days, re-inspected 15 days after rectification, and closed-loop management must be achieved around 20 days after rectification. To address the issue of insufficient quality in departmental hazard inspections, the Company formulated special inspection standards this year with reference to the relevant requirements in Foshan City. It is expected to issue 6 standard documents throughout the year, continuously improving the hazard inspection system. Meanwhile, the company actively encourages employees to participate in identifying and reporting hidden hazards, fully mobilizing their initiatives to help prevent and mitigate safety risks at the source. The company also leverages digital systems to enhance safety management and improve the refinement of safety control. Through personnel positioning, electronic fencing, work permit management, environmental safety gas detection, AI video monitoring, and a closed-loop management system of hidden hazards, combined with one-click alarm of emergency broadcasting and evacuation, partitioned broadcasting, evacuation route guidance, and linkage with personnel positioning, the company can quickly identify affected personnel. This enables comprehensive safety control over personnel, equipment, processes, and the environment. As for identifying and rectifying hidden hazards, employees can scan a QR code to report hidden hazards, after which the system automatically assigns responsible personnel, sets rectification deadlines, and sends automatic reminders for overdue rectification. Upon completion of rectification, photos must be taken and reviewed to form a database of hidden hazards for trend analysis. Since the system was put into operation, violations and accident rate have dropped remarkably, and the rectification rate of hidden hazards has been effectively improved, which safeguard employee safety.

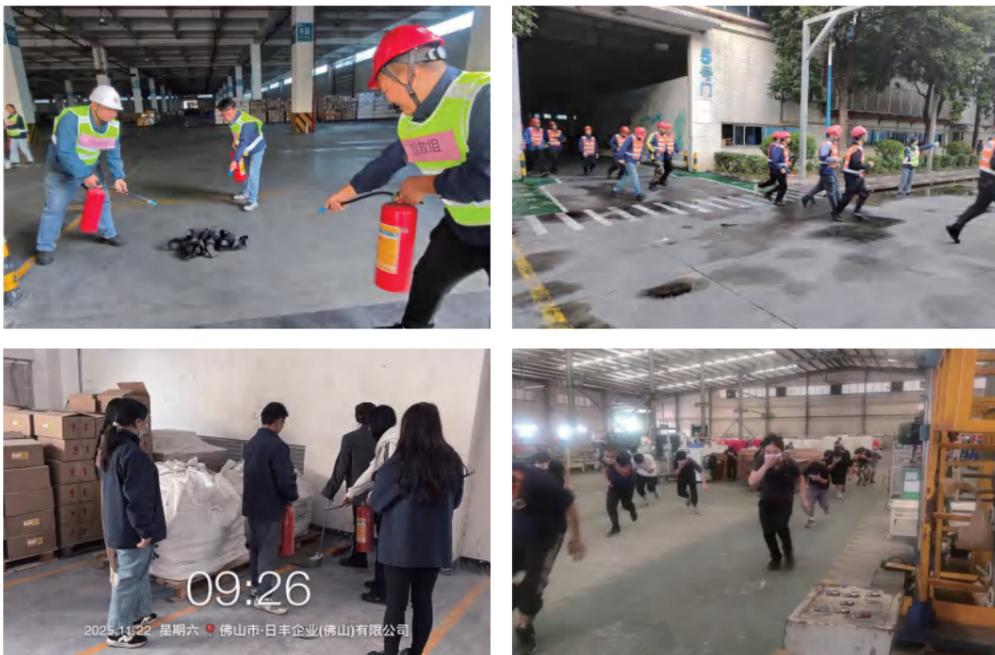
The Company entrusts a third party to conduct occupational disease hazard factor testing to accurately control key hazard factors such as noise, high temperature, and dust. For high-risk hazard factors, the Company has formulated targeted measures: in noisy environments, it provides employees with earplugs, reduces manual exposure through automated transformation, and installs protective covers on old equipment; during the high-temperature season, it equips employees with Huoxiang Zhengqi Shui (a traditional Chinese medicine for heatstroke prevention), adds spray cooling equipment in workshops, and conducts heatstroke prevention training and drills; in dust-prone work scenarios, it provides employees with sufficient labor protection equipment to reduce the risk of occupational diseases from the source. At the same time, the Company has established a management mechanism for occupational contraindications. If relevant situations are identified, the Production Department and the Administrative Department will coordinate to adjust the employee's job location. In 2025, there was no case of occupational diseases in the Company. In addition, the Company has set clear goals of controlling work-related injuries, requiring all work-related injury accidents to be reported in accordance with regulations and a complete statistical ledger to be established. In 2025, the Company only had three minor work-related injuries (all finger injuries), and no major work-related injury accidents occurred. For these three minor work-related injuries, the Company strictly followed the accident handling process, conducted accident cause analysis, accident liability determination, and accident improvement measures, summarized the lessons learned from the accidents, and continuously strengthened the safety awareness and risk prediction ability of all employees to prevent similar accidents from recurring at the source.

Furthermore, through activities such as Safety Month, Fire Prevention Month, and hazard inspection and evaluation, combined with the control processes and training system continuously improved, the Company promotes the participation of all employees, improves the effectiveness of occupational health and safety management, and creates a safe and healthy working environment for employees. Every June is the Company's Safety Month, and every November is the Company's Fire Prevention Month. In June 2025, the Company held drills of cardiopulmonary resuscitation, heat stroke and fire evacuation, and spot checks were conducted by the Lean Operations Department, to enhance the safety awareness of all employees and make safety culture deeply rooted into employees. In terms of safety training, since this May, the Company has fully standardized training management by customized making exclusive online training courses for each department with assessment activities, which replaces the old process that only requires taking photos and submitting attendance sheets. At the same time, it regularly conducts targeted training on operating procedures, traffic accident prevention, and job operation safety to strengthen employees' safety awareness and professional quality.



Cardiopulmonary Resuscitation Drill

To prevent the occurrence of emergency safety accidents, the Company has also formulated a comprehensive emergency rescue plan, established an emergency rescue team mainly composed of security personnel and an emergency fire brigade, equipped with chemical emergency facilities such as eye wash stations and fire cabinets, as well as sufficient fire-fighting resources. They conduct emergency rescue drills as planned, including safety first-aid drills, natural gas leakage accident and fire emergency drills, and fire drills in hazardous chemical warehouses. A total of 9 emergency drills were conducted, improving the emergency response capabilities of all personnel.



2025 Emergency Drill Records

For the safety of external personnel, the Company strictly implements the management regulations for external personnel entering the factory, including registering visitors' information, conducting safety training and briefing for external construction personnel, signing safety commitment letters, and the docking department regularly checking the on-site operation safety to ensure the safety and controllability of external collaboration links.

Gender Equality and Equal Pay for Equal Work

The Company adheres to the principle of gender equality, firmly opposes any form of gender discrimination, and ensures that all employees, regardless of gender, enjoy equal employment rights and welfare benefits, and achieve equal pay for equal work.

In terms of remuneration and welfare, male and female employees uniformly enjoy incentives and guarantees such as year-end bonuses, quarterly bonuses, skill subsidies, transportation subsidies, and medical examination subsidies. Welfare covers all employees during holidays. Exclusive Teacher's Day benefits are provided for internal trainers, and female employees enjoy special care on Women's Day. All employees can participate in welfare activities on an equal basis, including various club activities and departmental team-building activities (with a special budget). In summer, they can receive heatstroke prevention supplies such as cool drinks and watermelons. For important life milestones, the Company presents cash gifts upon employees getting married, provides pension support in case of funerals, and employees can apply for assistance from the Group's charity fund when their immediate family members suffer from major diseases.

In terms of health and life protection, both male and female employees are entitled to free annual physical examination. Regardless of gender, migrant employees are entitled to return-home subsidies (calculated based on distance) before the Spring Festival, and the Company also coordinates purchase of high-speed rail tickets as requested by employees to ease their difficulty of booking tickets. Accommodation and catering services ensure both fairness and reasonable suitability. Workers uniformly enjoy free accommodation and meals, while office staff pay meal fees in tiers (such as RMB 4, RMB 8, etc.), with their bearing only a portion of food cost. The Company provides dormitories for employees and also sets up separate buildings for couple's rooms to meet the needs of different employee families. Off-campus accommodation subsidies are issued monthly, covering employees who do not have Foshan hukou, and the issuance standard does not distinguish between genders.

In terms of the performance evaluation system, the principle of fairness and impartiality is also upheld. All employees participate in quarterly and annual performance evaluations, and workers also undergo additional monthly evaluations. The evaluation standards and promotion opportunities are the same for both male and female employees.

Training and Skill Development

The Company has established a clear and comprehensive employee development system, with multi-channel promotion pathway and all-round training support to help employees achieve career growth. It has formulated clear promotion management regulations and basic requirements, built a dual-channel promotion system for management and professional fields to support employees for cross-channel development. At the Group level, it has launched a three-tier talent development program of "Setting off, Setting Sail and Voyaging", corresponding to new employees, reserve supervisors, and supervisor levels respectively. This program helps new employees quickly integrate into their teams, cultivates compound management talents, builds an internal talent echelon, and accurately meets the career development needs of different stages.

The Company provides employees with diversified training support, including internal training, external training, and online learning platforms.

Internal Training

- The Company formulates a unified training plan, and each department simultaneously advances its exclusive training arrangements. The training courses cover general skills, professional skills, and leadership skills to comprehensively improve employees' capabilities.
- It builds an internal trainer certification mechanism, encouraging key supervisors and employees to conduct knowledge sharing and management experience exchanges for the Company or departments. Internal trainers can receive teaching remuneration and exclusive Teacher's Day gifts, and the Company also clarifies assessment standards such as teaching hours and satisfaction.

External Training

- It expands the growth path and enhances professional capabilities through inviting external lecturers to give lectures or sending employees to off-campus courses.
- It establishes an academic improvement management system to provide learning resources and support for outstanding employees with strong self-motivation, willingness to continuously improve, and proactive attitude, and provide employees pursuing bachelor's, master's, and doctoral degrees with fixed days of paid leave per year.

Online Learning Platform

- It cooperates with external institutions to build an online learning platform, classifies and continuously updates course resources according to different modules. Each department has an exclusive training coordinator who screens and arranges learning plans according to the needs of employees at different levels.

Measures to Prohibit Violence and Harassment

The Company always adheres to the bottom line of civilized employment, strictly prohibits any form of workplace violence and harassment, and creates a safe and respectful working environment for employees. It has established smooth reporting channels to encourage employees to timely report violations, while strictly protecting the personal information and legitimate rights and interests of whistleblowers, and ensuring that every report is fairly investigated and properly handled, effectively building a workplace safety defense line. In 2025, there were no incidents of violence or harassment in the Company.

Respect for Privacy

The Company attaches great importance to the protection of employees' privacy and information security. All management links involving employees' personal information are strictly controlled by the Human Resources Department. During the onboarding training, employees are clearly informed of the relevant regulations on privacy protection to fully ensure the security of employees' information. To further strengthen the information security awareness of all employees, information security has been included in the training for new employees. Rifeng Group has invited a third-party institution to conduct special information security awareness training for all employees, continuously consolidating the foundation of privacy protection and information security management.



S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Company has set key strategic indicators to manage human resource risks, retain talents in key positions, and improve employee satisfaction, providing core support for the Company's long-term stable development.

The 2025 target values and actual progress are as follows:

Strategic Performance Indicator	2025 Target Value	2025 Actual Value
Satisfaction and Retention of Talents in Key Positions	≥90%	95%
Human Resource Development and Satisfaction	81.21 points	81.30 points

S1-6 Characteristics of the undertaking's employee

Indicator	Unit	2025
Number of Employees	Person	3010
By Gender		
Male Employees	Person	1917
Female Employees	Person	1093
By Contract Type		
Regular Employees	Person	2574
Non-Regular Employees (Temporary Workers, Dispatched Workers, Interns, etc.)	Person	436
Employee Turnover Rate	%	5

S1-7 Characteristics of non-employees in the undertaking's own workforce

The Company currently has no external contractors, freelancers, or temporary workers.

S1-11 Social protection

The Company strictly complies with national laws and regulations, and fully pays the "5 categories of social insurances and housing provident fund" (i.e., endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance) for each employee, comprehensively building a basic social security foundation for employees. At the same time, employees are entitled to statutory holidays, paid annual leave, and other benefits in accordance with the laws, effectively safeguarding their legitimate rights and interests.

S1-13 Training and skills development metrics

Indicator	Unitc	2025
Percentage of All Employees Who Participated in Regular Performance and Career Development Reviews	%	24
Percentage of Male Employees Who Participated in Regular Performance and Career Development Reviews	%	16
Percentage of Female Employees Who Participated in Regular Performance and Career Development Reviews	%	8
Average Training Hours per Employee (for All Employees)	Hour	22.3
Average Training Hours per Male Employee	Hour	23.5
Average Training Hours per Female Employee	Hour	21.1

S1-14 Health and safety metrics

Indicator	Unitc	2025
Percentage of Employees Covered by the Occupational Health and Safety System	%	100
Number of Fatalities Caused by Work-Related Injuries and Work-Related Health Problems	Person	0
Number of Recordable Work-Related Injury Accidents	Case	3
Recordable Work-Related Injury Accident Rate	%	0.10
Number of Cases of Work-Related Health Problems	Case	0
Number of Working Days Lost Due to Work-Related Injuries, Fatalities Caused by Work-Related Injury Accidents, Work-Related Health Problems, and Fatalities Related to Employee Health	Day	0

S1-15 Work-life balance metrics

Indicator	Unitc	2025
Percentage of Employees Entitled to Family-Related Leave	%	100
Percentage of All Employees Who Took Family-Related Leave	%	4.8
Percentage of Male Employees Who Took Family-Related Leave	%	2.3
Percentage of Female Employees Who Took Family-Related Leave	%	1.5

S1-17 Incidents, complaints and severe human rights impacts

Indicator	Unitc	2025
Number of Discrimination Incidents	Case	0
Amount of Fines, Penalties, and Damages Resulting from Discrimination Incidents (Including Harassment and Complaints)	RMB	0
Number of Severe Human Rights Issues and Incidents Related to Own Workforce	Case	0
Amount of Fines, Penalties, and Damages Resulting from Severe Human Rights Issues and Incidents Related to Own Workforce	RMB	0
Number of Human Rights-Related Complaints Submitted by Employees	Case	0

04

ESRS S2 Workers in the value chain

S2.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S2-1 Policies related to value chain workers

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities





ESRS S2

Workers in the value chain

S2.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

We attach great importance to the sustainable development and operation compliance of the entire supply chain, and promote the upstream and downstream of the supply chain to jointly build a sound ecosystem that respects labor and protects rights and interests. In the whole process management inclusive of supplier access, routine monitoring, and annual audit, we take the protection of supply chain employees' rights and interests as a key evaluation dimension, strictly verify whether suppliers comply with labor laws and regulations, and establish and improve a mechanism for protecting employees' rights and interests.

After comprehensive assessment and in-depth analysis by stakeholders, with reference to the relevant sub-issue framework specified in ESRS, the Company has identified "stable employment" and "occupational health and safety" as the key focus issues in the field of social responsibility for supply chain employees, laying the main direction for the subsequent targeted implementation of supplier management and rights protection. For the description of the material impacts, risks and opportunities of each issue, please refer to ESRS 2 SBM-3.

S2-1 Policies related to value chain workers

The Company has established a sound supply chain management policy system, including core systems such as the "Supplier Evaluation and Selection Management System" and the "Supplier Review Management Measures", which clearly define the whole-process standards and requirements for supplier access, review, cooperation and dynamic management. The supply chain management policy system covers all suppliers that are business partners or potential partners, and the Procurement Center is responsible for the implementation of the system, procurement execution and the whole-life-cycle management of suppliers.

We deeply integrate the concept of social responsibility into the system design, and build a solid defense line for supply chain social responsibility management through the dual links of supplier qualification review and regular audit. At the stage of supplier qualification review, we clearly require the provision of compliance documents such as business licenses, business authorization letters, and feedback letters of the "10 Prohibitions and Unified Complaint Channels in Procurement and Related Fields", and simultaneously collect supplier social responsibility questionnaires and social responsibility commitment letters, to comprehensively verify the compliance foundation of supplier social responsibility. At the stage of supplier audit, the key points, such as the implementation of employee safety protection measures and the development of vocational skills training, are included to ensure that suppliers continuously implement the requirements for protecting employees' rights and interests throughout the cooperation cycle, and promote the implementation of supply chain social responsibility through institutionalized and standardized management.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

In order to comprehensively manage the performance of supply chain employees' social responsibility, and focus on the key issues of stable employment and occupational health and safety that stakeholders are highly concerned of, the Company has established a comprehensive supplier management system. Through the verification of suppliers' operational compliance and sustainability during the qualification review stage, the rigid agreement on relevant standards in the social responsibility commitment letter, the comprehensive investigation of dimensions such as operational stability, labor contract compliance, and health and safety protection in the special questionnaire, and the quantitative evaluation and closed-loop rectification of key indicators in the annual audit, a whole-process and multi-dimensional supply chain social responsibility management mechanism is developed to systematically promote suppliers to implement the requirements for protecting employees' rights and interests, and lay a solid social responsibility foundation for the sustainable development of the supply chain.

Supplier Qualification Review

By verifying the compliance and effectiveness of suppliers' business licenses and the soundness of their business conditions (such as revenue stability and cash flow health), the Company comprehensively evaluates their operational stability and economic continuity, to ensure that suppliers have the ability of long-term stable employment, lay a foundation for stable employment in the supply chain from the source of cooperation, and provide sustainable operation support for protecting employees' occupational health and safety.

Supplier Social Responsibility Commitment Letter

Suppliers are required to strictly comply with the SA8000 social responsibility standards and local labor laws and regulations, and clearly commit to prohibiting the use of child labor, eliminating forced labor, providing employees with safe and hygienic working and living conditions, and an equal and fair working environment. The compliance commitment lays a foundation for stable employment and occupational health and safety, and protects the key rights and interests of value chain employees.

Supplier Social Responsibility Questionnaire

Special questions are designed focusing on the key requirements of stable employment and occupational health and safety, especially to verify whether suppliers sign labor contracts with employees in accordance with the laws, pay social security fees in full in accordance with regulations, formulate sound health and safety management systems, and provide employees with necessary health and safety facilities and labor protection supplies, so as to fully understand the actual situation of suppliers' protection of employees' rights and interests. Suppliers need to meet 60% or more of the requirements in the questionnaire before establishing business cooperation with the Company.

Supplier Annual Audit Standards

Considering that most of the Company's suppliers are from manufacturing industry, and occupational health and safety management is crucial, we have specially incorporated relevant requirements into the audit standards, such as personnel skills training, the construction of occupational health and safety management system, employee safety training and protection, and set the weight of safety protection-related indicators at 11%. For suppliers that fail the annual audit, the Company launches a rectification tracking mechanism. If suppliers still fail to meet the standards after rectification, they are considered for removal from the list of qualified suppliers. Rigid constraints are used to promote suppliers to continuously implement the relevant requirements for stable employment and occupational health and safety.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

At present, the Company has not yet set specific targets for the management of the basic rights and interests of supply chain employees. In the future, it plans to formulate quantitative and implementable management targets focusing on key issues such as stable employment and occupational health and safety. At the policy level, we regularly review and optimize the supply chain management systems to ensure that they are consistent with ESRS requirements and stakeholders' expectations. At the action level, we have been continuously carrying out annual supplier audits. In the future, we will further specify the monitoring mechanism for the results of supplier audits, pay attention to the key indicators related to employees' rights and interests, and continuously improve the effectiveness of supply chain employees' social responsibility management through closed-loop management.

At the same time, regarding the negative impacts on supply chain employees, the "Management Procedure for Employee and Supplier Complaints, Reports, Confidentiality, and Anti-Retaliation" formulated by the Company includes channels and handling methods for supplier employees' complaints, as well as protection measures for whistleblowers. In 2025, the Company did not receive any complaints from value chain employees, nor did it find any confirmed human rights accidents involving value chain employees.



05

ESRS S4 Consumers and end-users

S4.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

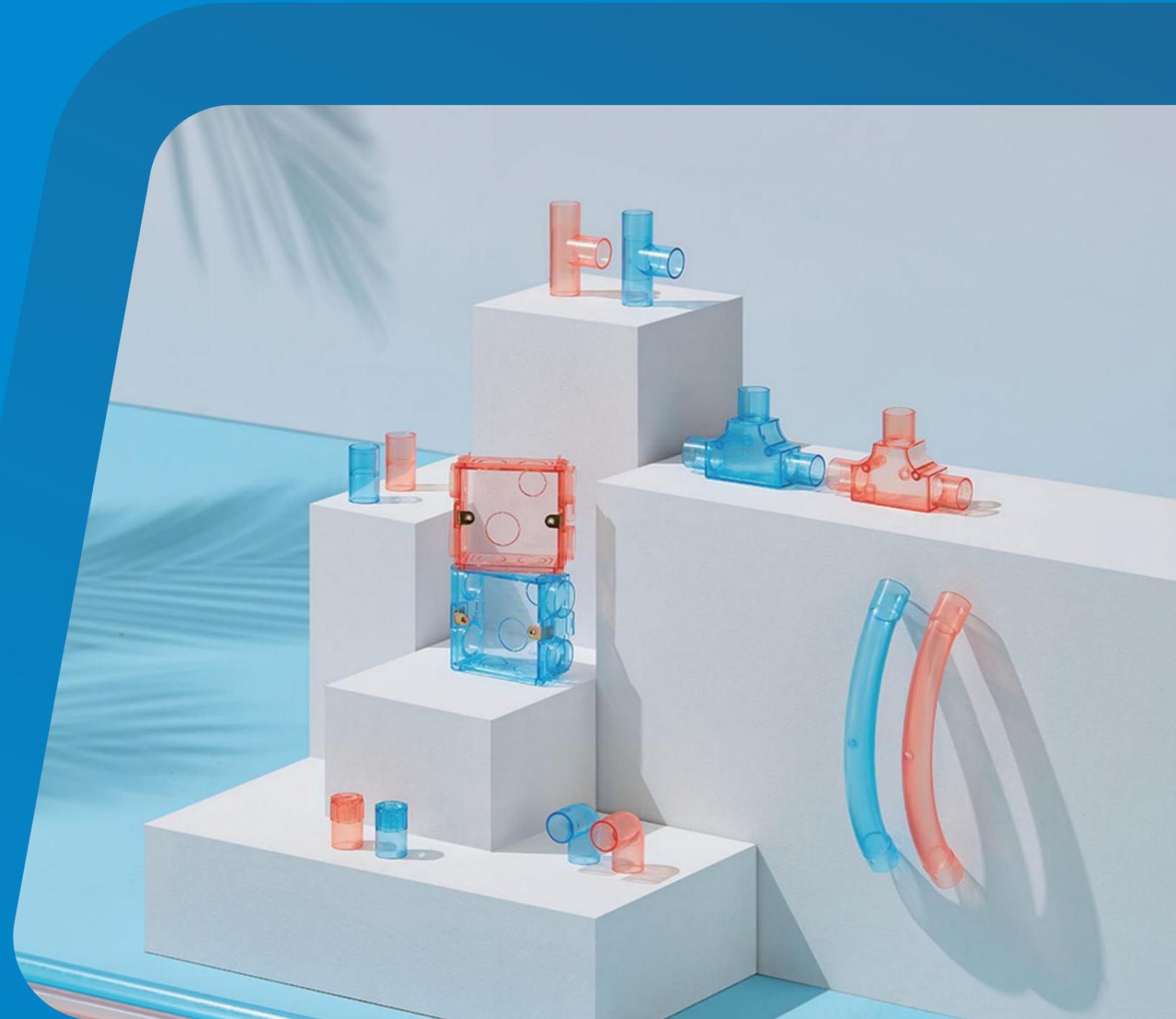
S4-1 Policies related to consumers and end-users

S4-2 Processes for engaging with consumers and end-users about impacts

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities



ESRS S4 Consumers and end-users

S4.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Company has always been market - and user demand - oriented, deeply engaged in product and service innovation, and been committed to building an industry - leading service ecosystem. It aims to provide consumers and end - users with comprehensive solutions that combine excellent quality and reliable safety. As early as 2002, Rifeng took the lead in China to provide users with a full set of professional services such as free water pressure testing, pipeline inspection and acceptance, pioneering the professional and standardized services in China's pipeline industry. In recent years, on top of the original services, Rifeng has systematically integrated and upgraded by launching a new industry model of "product + service", namely the "Rifeng Safety Guard" services, which provides users with free authenticity testing, free water pressure testing, free pipeline acceptance, and free shooting and storage services. At the same time, the "double quality assurance" (i.e. product quality assurance and welding quality assurance) advocated by the Rifeng Safety Guard services has been strongly promoted and executed in the industry with wide coverage, benefiting hundreds of millions of Chinese users and making outstanding contributions to promoting the overall progress of industry services.

After a comprehensive assessment and in - depth analysis by stakeholders, and with reference to the relevant sub - issue framework specified in ESRS, the Company has identified "health and safety" as the key focus in the field of consumers and end - users. This lays a main direction for the subsequent accurate implementation of measures to protect consumers' health and safety and the continuous improvement of the level of user rights protection. For the description of the material impacts, risks, and opportunities of each issue, please refer to ESRS 2 SBM - 3.

S4-1 Policies related to consumers and end-users

To fully safeguard the safety and reassuring experience of end - users, the Company has established a comprehensive policy management system covering the full product life cycle. It has built a solid line of defense for product quality and safety through key systems such as the "Design and Development Control Procedure", "Supplier Evaluation and Selection Management System", "Product Quality Management Regulations", "Non - Conforming Product Management Procedure", "Production Process Management Procedure", and "Customer - Related Process Management Procedure". Among them, the "Design and Development Control Procedure" controls the product safety design standards from the source; the "Supplier Evaluation and Selection Management System" strictly regulates the access quality of raw materials and components; and the "Customer - Related Process Management Procedure" runs through the safety management requirements in the entire process of production, delivery, and after - sales. The General Manager is ultimately responsible for the product and service safety policy system. The Quality Management Center, Marketing Operations and Service Department, Overseas Business Department, and R & D Center, work together to promote policy implementation. Through strict multi-dimensional management in the entire process, it is ensured that every product meets safety standards, so as for end - users to use the products with confidence.

S4-2 Processes for engaging with consumers and end-users about impacts

Based on the attributes of sales channels and customer groups, the Company's business model is divided into three categories: agents, engineering customers, and end consumers. It not only builds an extensive market channel network through distributors and agents but also directly serves end - users through multiple touchpoints, forming a full - cycle customer service system. To accurately grasp the needs and expectations of different customers, we have established a multi - dimensional and regular interaction and customer satisfaction survey mechanism.

Customer Satisfaction Survey

- We regularly conduct customer satisfaction surveys, including surveys on product quality and service quality. For agents, special satisfaction surveys are organized every year. The Company conducts a multi - angle analysis of the satisfaction survey results based on the survey findings to identify the current problems and pain points of products and services and prioritize them. Based on the problems and their priority, targeted solutions are proposed. On the basis of maintaining the stability of the key data of previous customer satisfaction surveys, a satisfaction survey system is established to continuously evaluate and improve customer satisfaction. In 2025, the domestic customer satisfaction reached 93.4%, while the overseas customer satisfaction was 83.99%.
- In addition, the Company has further promoted the construction of the customer satisfaction system. It mainly relies on the "Voice of Customer" project, linking multiple business departments, core processes, and IT teams to systematically sort out the feedback and handling mechanism of customer feedback. In 2025, the first phase of the "Voice of Customer" project was launched, which successfully realized the online promotion of customer feedback and the visualization of the full process of work order handling, greatly improving the response efficiency and service transparency.

Daily Communication and Feedback

- We have also built a variety of communication and feedback channels for domestic and overseas customers. Overseas customers can conveniently provide feedback through the corporate official website, business managers' mailbox, social platforms such as WhatsApp, Facebook, and WeChat, as well as exhibitions, business visits, and online meetings. Domestic customers can contact us through channels that are in line with local customs, such as the official website, email, WeChat, exhibitions, and online meetings.

Agent Conferences

- The Company holds agent conferences irregularly. For domestic agents, we hold an agent conference every June to July. At these conferences, topics such as the Company's development, brand building, and product innovation are discussed, while the key points of policy adjustments such as after - sales handling are announced, and the core characteristics of products and their diverse application scenarios are illustrated. This helps to enhance agents' awareness of product quality and safety and enables channel partners to better convey the concept of product safety and serve end-users. For overseas agents, an agent conference was successfully held in this April. In-depth communication was conducted through offline meetings to strengthen collaboration with channel partners in product promotion, service implementation, and user quality and safety assurance.



2025 Rifeng National General Agent Conference



2025 Rifeng Overseas Agent Conference

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

We have a sound customer complaint handling mechanism and have formulated the "Customer Information Feedback Management Regulations" and "Customer Complaint Handling Management Regulations" to collect customer feedback on products and services, and suggestions for demands. With rapid response and closed-loop management as the core, we strengthen the linkage and cooperation among various departments to ensure that problems are resolved and handled in a timely manner. Specifically, the Overseas Business Department (for overseas business) and the Marketing Operations and Service Department (for domestic business) receive customer complaints and samples. The After-sales Team is responsible for reviewing the complaint information and managing the samples. The Quality Department takes the lead in investigating and completing the root cause analysis and formulating solutions. The Business Department and Finance Department simultaneously verifies the reasonable compensation scope. All complaints are followed up by the corresponding business personnel throughout the process, and the real-time progress is fed back via emails. In 2025, with its excellent service quality and management capabilities, the Company was successfully listed as "12th China National Standard Five-Star After-Sales Service Enterprise". After a professional comprehensive evaluation by the National Commercial After-Sales Service Evaluation Committee, it ranked among the "National After-Sales Service Industry TOP 10".

The Company attaches great importance to customer demands. It compiles and analyzes the number of complaints and the complaint response time every month to achieve faster and more accurate customer response. The analysis and review of customer complaint issues are conducted at the Company's monthly meetings, where targeted process improvements are promoted, and typical cases are incorporated into the experience case database, and learn from the experiences and lessons. At the same time, the Company clearly defines incidents related to product safety liability as one of the customer service crisis incidents, establishes an early warning monitoring and rapid response mechanism in advance to ensure that such incidents can be handled quickly and responded efficiently once occur, effectively safeguarding customer rights and interests and continuously meeting customers' core demands for product safety. In addition, the Company adjusted the manual service hours of the official customer service, extending the service to cover the entire cycle from Monday to Sunday (excluding statutory holidays) to upgrade customer experiences.

For overseas markets, the Company has successively launched the Overseas Customer Relationship Management (CRM) System, Overseas Enterprise Resource Planning (ERP) System, and Overseas Order Management System since 2021. These systems have enabled digital management throughout the full lifecycle of overseas customers and business leads, as well as end-to-end visualization of the order process—from order confirmation, follow-up, to delivery, optimized the efficiency of overseas order processing, reduced communication costs, enhanced internal and external risk control, and facilitated the targeted operation of overseas businesses and faster market response.

Complaint Channels

Official website: www.rifeng.com.cn

Pipeline product service hotline: 4001110211

Sanitary ware product service hotline: 400119231

For domestic agents and distributors, the Company has launched a quality feedback reward policy. It encourages channel partners to conduct a second quality inspection before delivering products to end-users, so as to identify and control product quality and safety risks in advance during the circulation link. The Company has formulated a clear compensation plan for specific quality issues. For example, if a customer finds quality issues in PPR pipe fittings, PVC pipe fittings, or PVC pipes, the Company will compensate five products of the same model for each problematic pipe fitting or pipe found. If more than 50 products in the same batch have the same quality issue, the Customer Service Department will handle it separately as a major quality accident.

For end-users, we collect customers' feedback on quality, price, and delivery through market visits, seminars, public opinion monitoring of social media, generate data labels to accurately locate our target groups, and identify differences and needs among customer groups. In addition, if end-users encounter problems related to product quality and safety, local agents or branch will respond and handle them quickly, and the Company will provide support such as advance compensation to ensure timely and efficient after-sales handling.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Company has built a closed-loop quality management system covering the entire chain of R&D, production, sales, and services to ensure product quality and safety. At the R&D end, the company strictly adheres to raw material standards, optimizes the formula structure to ensure product quality, and has obtained certifications from globally authoritative product certification bodies such as NSF (USA) and KIWA (Netherlands). At the production end, it implements three-level management, including raw material screening, online monitoring, and finished product verification, and realizes the dynamic tracking of quality data relying on the QMS system. At the sales and service end, it implements the "double quality assurance" commitment (i.e. product quality assurance & welding quality assurance). Through the "Safety Guard" service system, certified engineers provide installation acceptance and pipeline inspection, and generate electronic quality assurance cards to realize the whole-process traceability. At the same time, it works with the industrial chain to jointly formulate process standards, continuously drives quality upgrading, and implements the commitment of "being durable for 50 years" throughout the entire product life cycle.

R & D End

Rifeng Group has built a unified R&D system and technology platform. Rifeng makes full use of the Group's R&D resources and technical reserves to achieve efficient transformation of technical achievements and product iteration. The Company has established a Guangdong Provincial Engineering Technology Research and Development Center, which provides solid support for product quality and safety testing with its R&D investment and team strength. The Company's R&D center is located at the Group headquarters, and the annual R&D investment accounts for more than 3% of the sales revenue. The Company currently has 75 R&D personnel, 9 of whom have senior professional titles. In addition, the Company has participated in the compilation of 10 standards. It leads the standardized development of the industry with standards, promotes collaborative innovation within the industrial chain, and jointly builds a solid line of defense for product quality and safety. In 2025, Rifeng added 3 products that were awarded Guangdong Provincial Renowned Quality High-tech Products. Three new projects have passed the assessment for scientific and technological achievement verification organized by the Guangdong Light Industry Federation and the Foshan Building Materials Industry Association.

Standards Mainly Participated by the Company

Standard Name	Standard Level
Chlorinated Polyvinyl Chloride (PVC - C) Pipeline Systems for Hot and Cold Water - Part 5: System Suitability	National Standard
General Terms and Definitions for Thermoplastic Plastic Pipes, Fittings and Valves	National Standard
Guidelines for the Recycling and Reuse of Plastic Waste	National Standard
Polypropylene (PP) Pipeline Systems for Building Drainage and Sewage	National Standard
Prefabricated Lightweight Hot Water Radiant Heating Panels	National Standard
Polypropylene (PP) Pipeline Systems for Building Drainage and Sewage	National Standard
Rubber Seals - Material Specifications for Joint Sealing Rings for Water Supply, Drainage and Sewage Pipes	National Standard
Greenhouse Gases - Quantification Methods and Requirements for Product Carbon Footprint - Plastic Products	National Standard
Plastic Quick - Insertion Fittings for Pipes	Industry Standard
Composite Steel - Cored Pipes for Direct Drinking Water in Pipes	Group Standard

The Company is equipped with an R&D laboratory occupying nearly 5,000 square meters. Adhering to the quality policy of "fairness, science, accuracy, and efficiency", the laboratory provides professional testing services and technical support for internal and external customers, and builds a comprehensive quality and safety guarantee foundation. Focusing on the core needs of product quality and safety, the laboratory has formed three core testing directions: material structure and component analysis, physical and mechanical performance testing, and product and system application evaluation. The testing capabilities cover 1,103 product and methodology standards, and can accurately test the applicability and safety stability of products in different scenarios. At the same time, as a research base for advanced analysis methods, the laboratory continuously reserves, introduces, and develops new technologies and methods in the field of analysis, providing ideas and impetus for product innovation, technical improvement, and the construction of quality standard systems. At present, the laboratory has obtained the accreditation of CNAS (China National Accreditation Service for Conformity Assessment). With authoritative testing capabilities and professional technical levels, it controls product quality from the source, eliminates safety hazards, and builds a solid technical line of defense for the safe use of end-users.

Production End

The Company has always adhered to the spirit of craftsmanship, taking product quality and safety as the core bottom line. It has built a solid line of defense for product safety through multi-dimensional testing and verification and a systematic quality management system.

In terms of product testing, all water supply products have passed hygiene performance testing or heavy metal precipitation testing. Some products have completed RoHS testing and 3C certification according to customer requirements. They have obtained more than 170 product certifications in 15 countries, covering core performance indicators related to drinking water in buildings, such as strength, static voltage resistance, service life, and pipeline connection compatibility. In 2025, the Company had no major product quality incidents.

In terms of internal quality management, the Company has established strict whole-process management procedures and a variety of quality improvement mechanisms. It continuously tracks the performance achievement by setting core KPIs such as customer complaint rate, first-pass yield, problem rectification & closure rate, and first-pass rate of system audits. At the same time, we constantly strengthen employees' quality awareness, regularly carry out QCC (Quality Control Circle) activities, set up special improvement organizations to promote product and process optimization, and commend outstanding achievements with incentives. We also promote special improvement initiatives for better pass rates of finished products. In January 2025, the Company held the "4th All-Employee QCC Improvement Project Achievement Conference". This conference focused on key areas for improving quality and efficiency, such as production floor management, quality enhancement, innovation and optimization, and collectively showcased the outstanding achievements of 14 project teams. Every September to October, the Company holds the "Quality Month" activity. Through activities such as quality-themed debate competitions and quality skills competitions, and experience sharing from bases in other provinces, we encourage employees to actively participate. In addition, we coordinate the implementation of annual quality training by inviting external experts to conduct special training on quality tools such as SPC and PFMEA, while workshop teams carry out regular training on product recognition, testing skills, and quality awareness.



Employees Actively Participate in the Quality Activities

In addition, by introducing the MES Data Acquisition Equipment Management Module and IoT Data Acquisition Platform, the Company has established a closed-loop system for fault work orders, reducing instances of "unrecorded and unhandled" issues. The Company implements preventive equipment maintenance through monitoring equipment status in real time, recording and analyzing operational data in the system to proactively eliminate potential faults and identify high-frequency fault points, while realizing closed-loop management of fault work orders and automatic generation of preventive maintenance plans, so as to ensure the stable operation of equipment. Since the system was put into operation, the number of equipment failures has decreased, and major failures have dropped remarkably, laying a solid foundation for product quality from the equipment end.

Sales and Service End

Hydropower decoration is a concealed project. It is difficult to verify the installation quality after the construction is completed. Especially, when pipes for hot and cold water are installed into the walls, it is even more difficult to find potential problems in time after backfilling. Risks such as water leakage from welding and pipeline damage during secondary decoration may trigger safety accidents. To ensure that end-users can use Rifeng products safely and with confidence, the Company has specially established a return visit mechanism in China, launched the "Rifeng Safety Guard" service and the "double quality assurance" commitment. With the professional service network built through digitalization, it connects more than 5,000 Rifeng service engineers and nearly 2 million hydropower engineers across the country. Together, they ensure the quality, reputation, and effect of products, bringing consumers with a high-quality user experience.

With the mission of "committed to providing users with safer pipeline systems, quality service experiences, and protecting users with healthy use of water", the Rifeng Safety Guard helps customers eliminate water leakage from welding and avoid accidents caused by pipeline damage during secondary decoration through services such as on-site product authenticity checking, pipeline water pressure testing, pipeline installation acceptance, and pipeline diagram shooting and storage by service engineers. In addition, for the complete set of PPR pipeline systems that have passed the acceptance of the Rifeng Safety Guard, Rifeng provides free 50-year "double quality assurance" commitment (i.e. product quality assurance and product welding quality assurance). This eliminates problems such as unclear responsibilities for water leakage caused by product quality and welding quality, providing consumers with a safe and worry-free pipeline system.



Rifeng Safety Guard Quality Assurance Card

For the overseas market, the Company provides a long-term quality assurance commitment up to 25 years for its products, fully protecting the quality rights and interests of products during their service life. In addition, it purchases commercial product liability insurance with a coverage of up to USD 10 million to build a safety guarantee system for overseas customers.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Company has set targets related to customer complaint management and customer satisfaction. It manages indicators related to customer complaint response and handling, as well as product quality and safety. This strengthens the protection of product quality and safety for consumers and end-users and improves customer satisfaction. The 2025 target values and actual progress are shown in the following table:

Strategic Performance Indicator	2025 Target Value	2025 Actual Value
Customer Satisfaction	Domestic: $\geq 90\%$	Domestic: 93.4%
	Overseas: $\geq 85\%$	Overseas: 83.99%
On-time Delivery Rate of Complete Customer Orders	Domestic: $\geq 91\%$	Domestic: 94.37%
	Overseas: $\geq 91\%$	Overseas: 87.27%
Order Service Satisfaction	Domestic: Average Score ≥ 90	Domestic: 95.92
	Overseas: $\geq 85\%$	Overseas: 87.87%
Customer Quality Complaint Rate	Customer Quality Complaint: ≤ 0.119 PPM	0.105 PPM
	Customer Quality Feedback: ≤ 0.346 PPM	0.204 PPM
Efficiency in Resolving Customer Complaints about Quality Issues	$\geq 92\%$	92.02%
Customer Quality Visits	Annual Visits ≥ 12 times/year	18 times/year
	Closure Rate of Problems Identified during Annual Visits: $\geq 80\%$	97.55%



06

ESRS G1 Business conduct

- G1.GOV-1 The role of the administrative, management and supervisory bodies
- G1.IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
- G1-1 Business conduct policies and corporate culture
- G1-2 Management of relationships with suppliers
- G1-3 Prevention and detection of corruption and bribery
- G1-4 Incidents of corruption and bribery



ESRS G1 Business conduct

G1.GOV-1 The role of the administrative, management and supervisory bodies

The Audit and Legal Department, as the functional department in charge of the Company's anti-corruption and anti-bribery, is mainly responsible for formulating and improving the Company's anti-corruption and anti-bribery management systems and policies, coordinating compliance implementation across the Company, conducting regular monitoring and inspection of business activities, and investigating and handling suspected violations in accordance with regulations. The department has a team with profound professional knowledge in anti-corruption, anti-bribery and related legal compliance, and has accumulated rich practical experiences in system construction, risk identification, and investigation on violations. They can not only effectively support the scientific and effective management of anti-corruption and anti-bribery assignments, but also effectively ensure the standardized operation of business activities.

G1.IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

We are well aware that business conduct compliance is the core pillar of the Company's business model, and its effective implementation cannot be achieved without the joint efforts of all employees of the Company and workers in all links of the value chain. Therefore, the Company always gives priority to complying with the legislation and international standards related to ethical business conduct, and strives to build a corporate culture that attaches importance to human rights protection, strictly prevents corruption and safeguards the rights and interests of whistleblowers. This is not only the basic prerequisite for achieving legal compliance and obtaining operation permits, but also the key support for promoting the implementation of social responsibility practices and helping to achieve business goals successfully. At the same time, adhering to responsible and transparent payment practices is also a core requirement of the Company's business conduct standards, which we have always strictly abided by. In the future, Rifeng will continuously deepen the construction of the compliance management system and lay a solid foundation for the sustainable development of the enterprise with high-standard business conduct.

The identification of impacts, risks and opportunities (IROs) related to issues of the governance dimension has been integrated into the double materiality assessment. Under the framework of business conduct governance, the material issues we have identified include corporate culture construction, whistleblower protection mechanism, supplier relationship and payment practice management, prevention, monitoring and training system of corruption and bribery, and emergency management of risk events.

G1-1 Business conduct policies and corporate culture

Corporate culture is the spiritual foundation and key driving force for the Company's sustainable development. The Company firmly promotes corporate culture and uses four major channels, namely logos and slogans, cultural manuals, newsletters, and the Company's official website and WeChat platform, to help employees fully understand the corporate culture, and takes corporate culture as the internal support for the implementation of the concept of sustainable development.



Rifeng Culture Electronic Journal

The Company's Mission, Vision and Values

Mission: Pay more taxes for the country, create more job opportunities for society, and realize the personal value of employees while achieving the corporate value.

Interpretation: "Mission" represents the value of an enterprise's development and reflects the significance of its existence. Rifeng grew up in the era of China's reform and opening-up and has benefited from the country's reform and opening-up policies. As a member of "corporate citizens", Rifeng will, on the basis of scientific management and dedicated operation, actively repay the country and society, contribute to the country's development and the nation's progress, provide a platform and space for employees' development and the realization of their personal values, and achieve a win-win situation among the country, the enterprise and employees.

Vision: Become stronger and bigger, avoid impetuosity, advance steadily, and achieve a century-old Rifeng.

Interpretation: "Vision" reflects an enterprise's future development direction and the grand blueprint it pursues, which will inspire all employees to work together to achieve this goal. With the long-term goal of becoming a "century-old enterprise", Rifeng is committed to becoming stronger and bigger, forging ahead with determination, avoiding impetuosity, advancing steadily, realizing the long-term stable and sustainable development of the enterprise, and creating a century of glory.

Values:

Customer First; Associate with Virtue, Diligence Pays off; Cooperate and Share, Grow Together; Ambitious Goals; Frank and Open; Innovative and Inclusive.

Enterprise Management Policies

Quality Policy

Scientific Management, Quality Products, Sincere Services, Continuous Improvement.

Environmental Policy

Save Energy, Reduce Losses, Abide by Laws and Regulations, Prevent Pollution, Enhance Awareness, Continuous Improvement.

Occupational Health and Safety Policy

People-Oriented, Care for Employees' Health; Work Safety, Prevent and Reduce Accidents; Abide by Laws and Regulations, Adhere to Continuous Improvement.

Rifeng strictly abides by all laws and regulations related to business conduct in the locations where it operates, and actively implements the anti-bribery and anti-corruption compliance requirements in business activities. The Company deeply integrates business ethics into the construction of corporate culture, strengthens the internal control management mechanism of the enterprise, adheres to the business principle of honesty and trustworthiness, guides the Company's employees and relevant stakeholders (such as suppliers) to comply with laws, regulations and Company guidelines, and jointly establishes a good corporate image of compliant operation with honesty and self-discipline.



Core Value - Associate with Virtue, Diligence Pays off

- Integrity: Adhere to principles and bottom lines, be courageous to take action and take responsibility;
- Dedication: A strong sense of professionalism and a practical and responsible work attitude.

Interpretation:

"Core values" are the cultural core advocated by an enterprise and the basic code of conduct for the enterprise to undertake its mission and achieve its vision. The core values advocated by Rifeng are not only the basic guidelines for the enterprise's operation and management, but also the basic requirements for employees' code of conduct.

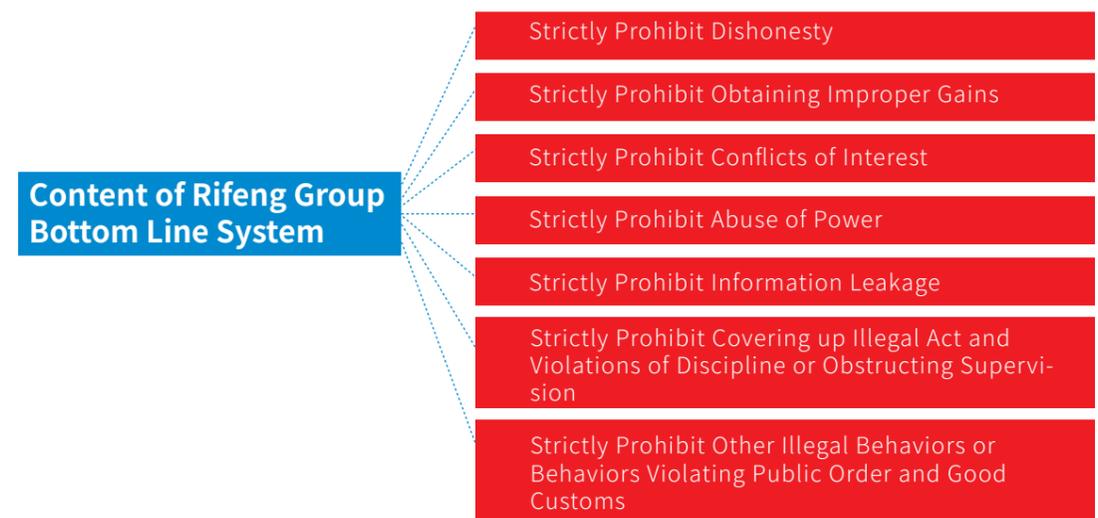
Associate with Virtue: At the enterprise level, strictly abide by business ethics, operate with integrity, and consciously assume social responsibility; at the employee level, be strict with oneself, be honest and trustworthy, oppose obtaining improper interests through unethical means, and advocate the honest and selfless behavior of employees.

Diligence Pays off: At the enterprise level, adhere to real economy, operate and develop with dedication, keep pace with the times, and constantly explore and make progress to achieve long-term development; at the employee level, be dedicated to work, be down-to-earth and diligent, advocate a rigorous and practical work style, study hard, pursue excellence, and advocate the proactive craftsmanship to realize personal value.



Improving the Management Mechanism:

The Company strictly abides by the Rifeng Group Bottom Line Management System and Provisions on the Application of Penalties for Violations of the Company's Bottom Line Behaviors of Rifeng Group, and clarifies the employee code of conduct and bottom-line requirements in the Employee Handbook and Employee Code of Conduct System, so as to standardize the behavior of all employees and create an efficient, transparent and clean working environment.



Smooth Reporting Channels

The Company has established diversified reporting channels, through which stakeholders can report problems. The Company will strictly keep the information of whistleblowers confidential, effectively protect the legitimate rights and interests of whistleblowers, and have zero tolerance for acts of retaliation against whistleblowers.

- 
Official WeChat Account:
Integrity Rifeng
- 
Reporting Hotline
0757-82236192
- 
Reporting Email
fsxutenghui@163.com
rfsjb@rifeng.com

G1-2 Management of relationships with suppliers

The Company is committed to practicing the code of conduct of fairness and impartiality in supplier management, ensuring that the procurement process is compliant, transparent and responsible, and at the same time promoting a positive and interactive business relationship with suppliers.



Payment Practices

Our procurement process strictly complies with relevant systems and norms such as the Rifeng Group Procurement Management System, Procurement Contract Management Measures and Rifeng Group Non-Production Material Procurement Management Measures, and the supplier payment link is strictly implemented in accordance with the original provisions of the contract or the terms determined through negotiation between both parties.

We attach great importance to the management of payment timeliness, and regard preventing payment delays as a core measure of protecting the legitimate rights and interests of suppliers and stabilizing the cooperative and mutually trusting relationship. Since we conduct full due diligence on suppliers during the procurement stage, and most suppliers maintain a long-term and stable cooperation with us, the foundation of mutual trust is solid. Therefore, the Company's payment performance has always been satisfactory, and there is basically no situation of unwarranted payment delays. We effectively maintain the stability of the supply chain cooperation ecosystem through compliant practices of performing contracts.

In order to further standardize the management of advance payments, prevent the risk of bad debts, and at the same time ensure the compliant payment and timely performance of advance payments, the Group has formulated the Rifeng Group Procurement Advance Payment Credit Management Measures. By conducting credit evaluation on all suppliers with advance payment, scientifically determining the credit limit based on the evaluation results, and standardizing the handling of advance payment in accordance with the approved credit limit, a full-process control of "evaluation - credit - payment" is developed, which not only strengthens the risk prevention and control of advance payments, but also provides institutional support for continuous compliance and timely payment.

Sustainable Procurement

In the access link of production material suppliers, the Company conducts an objective evaluation of the comprehensive capabilities of suppliers. The evaluation scope covers the feedback letter of Rifeng's Ten Prohibitions, the supplier's social responsibility management mechanism, and the signing status of the Supplier Social Responsibility Commitment Letter. Among them, the social responsibility assessment indicators specifically include the social responsibility management system, the establishment of a full-time management organization, anti-corruption and anti-bribery control measures, the protection of employees' legitimate rights and interests, fire safety, environmental protection compliance management, etc. Through a combination of quantitative evaluation and on-site verification, strict review is conducted to ensure that the onboarding suppliers fully meet the Company's sustainable procurement standards, and promote the green, compliant and responsible development of the supply chain from the source.

Require Production Material Suppliers to Sign the Supplier Social Responsibility Commitment Letter and Make Commitments on Social Responsibility Standards

1. Comply with all provisions of the SA8000 social responsibility standards and local labor laws and regulations, including:

- Prohibit the use of child labor and forced labor, and do not accept any suppliers or subcontractors that use child labor or forced labor.
- Respect the freedom of workers and prohibit any form of forced labor.
- Provide safe and hygienic working and living conditions to ensure the safety and health of employees.
- Promote labor-management cooperation and respect employees' rights to freedom of association and collective bargaining.
- Provide an equal and fair working environment and prohibit any form of discriminatory behavior.
- Respect the basic human rights of employees and prohibit any form of abusive behavior.
- Reasonably arrange production plans and working hours, rest and vacation of workers.
- Provide reasonable wages and benefits that at least meet the basic needs of workers and the minimum wage standard.
- Comply with applicable environmental management regulations, laws and standards, and abide by local environmental practices.
- Maintain factory safety procedures to prevent unauthorized goods from being shipped (such as drugs, dangerous goods or explosives, biological and other contraband).

2. Accept and actively cooperate with on-site social responsibility audits, and provide true and complete information required for the audits.

3. Timely take corrective and remedial measures for any non-conformities that violate social responsibility standards.

G1-3 Prevention and detection of corruption and bribery

We are actively committed to preventing corruption and bribery. In terms of internal management, the Rifeng Group Bottom Line Management System clearly stipulates that employees shall not use their positions to seek improper interests for themselves or others, strictly prohibits demanding or accepting kickbacks, cash, gifts and other property provided by business partners, and shall not improperly claim reimbursement of expenses or accept gifts under false pretenses.

Prohibit Employees from Committing the Following Acts

Accepting Improper Benefits

Demanding or accepting improper benefits worth more than RMB 200 provided by business partners (including but not limited to kickbacks, cash, shopping cards, red envelopes, valuable electronic assets, travel, loans, banquets, valuables, etc.);

Accepting Gifts on the Pretext of Events

Accepting high-value gifts and presents from partners on the occasion of weddings, funerals, house moving, birthdays and other events;

Embezzling Company Assets

Embezzling Company assets, engaging in malpractices for personal gain, and using public positions for private gains by taking advantage of positions; operating Company assets without authorization for profit;

Corruption and Theft, etc.

Engaging in corruption and bribery, theft, embezzlement or misappropriation of the property of others and the Company;

Improper Expense Reimbursement

Falsely reporting, over-reporting, or repeatedly reporting travel, business, conference and other expenses for profit; claiming reimbursement of personal or others' expenses from business partners;

Interest Transfer

Strictly prohibit the transfer of interests between employees and between employees and external partners through playing cards, gambling, lottery, etc.;

Profiting from Position

Using the convenience of position or Company resources to obtain cooperation opportunities for third parties and seek benefits for oneself and interested parties;

Other Improper Profit-Making

Other acts of obtaining improper benefits by taking advantage of positions.

For external suppliers and partners, the Company sends the Ten Prohibitions and Unified Complaint Channels in Rifeng Group Procurement and Related Fields to all production material suppliers, requiring them to confirm in writing, and at the same time clarifies the anti-bribery clauses in the contract to standardize cooperation from the source.

Content of the Ten Prohibitions in Rifeng Group Procurement and Related Fields

- Prohibit suppliers from inviting Company staff to participate in banquets, travel and entertainment activities that may affect the performance of the contracts under the pretext of inspection, visit, business negotiation, contract signing, etc.
- Prohibit suppliers from providing car loans, reimbursing any personal expenses, etc. to Company personnel.
- Prohibit suppliers from purchasing, building, decorating or maintaining private housing for Company staff.
- Prohibit suppliers from providing nominal salaries, red envelopes, commissions, kickbacks and securities to Company personnel.
- Prohibit suppliers from participating in wedding, birthday, house moving and other activities of Company employees.
- Prohibit suppliers from providing convenience for job arrangement and going abroad/overseas of Company employees or their family members, relatives, and friends.

The Company adheres to a zero-tolerance policy for "corruption" and gives appropriate leniency to acts of active declaration, self-examination and self-correction. For allegations or incidents that may violate the Company's bottom lines, as well as related acts subjected to anti-corruption and anti-bribery laws, once feedback is received through the reporting channels, the Audit and Legal Department will immediately launch an investigation. If a violation is confirmed, the Company will strictly handle it in accordance with the Provisions on the Application of Penalties for Violations of the Company's Bottom Line Behaviors of Rifeng Group and in accordance with standardized handling procedures and methods, so as to effectively maintain the Company's normal business order and legitimate rights and interests. In addition, all results, findings and decisions of the investigation and disposal will be reported to the relevant managers or department and the governance bodies, and notified within the Group to play a warning and deterrent role, strengthen the compliance awareness of all employees, and build a solid line of defense for clean operation.

The Company solidly promotes the construction of integrity culture and compliance training and education. It releases the Rifeng Group Bottom Line Management System through the OA system, shares typical cases through the corporate official WeChat account to strengthen publicity and guidance in daily work, and organizes employees to carry out special training on compliant performance and integrity with self-discipline. In 2025, Rifeng carried out a total of 4 special training sessions on integrity, covering employees of external business departments such as Procurement and Sales, with more than 500 participants.



On-Site Special Training on Integrity

【Case】 Training on Business Bottom Lines and Contract Risk Prevention for Sales Staff

In August 2025, focusing on the integrity risks and compliance pain points in the sales link, the Group Audit and Legal Department carried out a special training on "Business Bottom Lines and Contract Risk Prevention for Sales Staff" for sales personnel. With the core goal of "abiding by bottom lines, promoting compliance and preventing risks", the training content is both warning and practical.

During the training, the lecturer first systematically reviewed the seven management bottom lines of Rifeng Group, and then in combination with a number of typical criminal cases, conducted in-depth interpretation from the dimensions of the bottom line clauses violated by illegal acts, the results of judicial judgments and the warning significance, so that sales personnel could intuitively understand the consequences of violations and strengthen the ideological consciousness of integrity at work.

For contract risk prevention and control, the training focused on the entire sales process, sorted out the standard requirements at each stage of "before signing, during signing and during performance", and provided sales personnel with operational guidelines.



In order to strengthen the effectiveness of the training, an interactive Q&A session was specially set up in this training to answer the practical business problems raised by the trainees, which effectively improved the transformation and implementation effect of the training content.

This training not only effectively helped sales personnel build a solid ideological defense line for integrity at work, but also improved their ability to identify and prevent contract risks, providing strong support for the compliant and stable development of the Company's sales business.

G1-4 Incidents of corruption and bribery

In 2025, the Company did not have any incidents of violating anti-corruption and anti-bribery laws, nor received any relevant convictions or fines, and nor had any acts of violating internal anti-corruption and anti-bribery procedures and standards; no legal procedures related to corruption or bribery were initiated against the Company and its employees, and no impacts or incidents of actual corruption or bribery directly related to value chain business relationships were identified, effectively maintaining a clean and compliant business environment.

07

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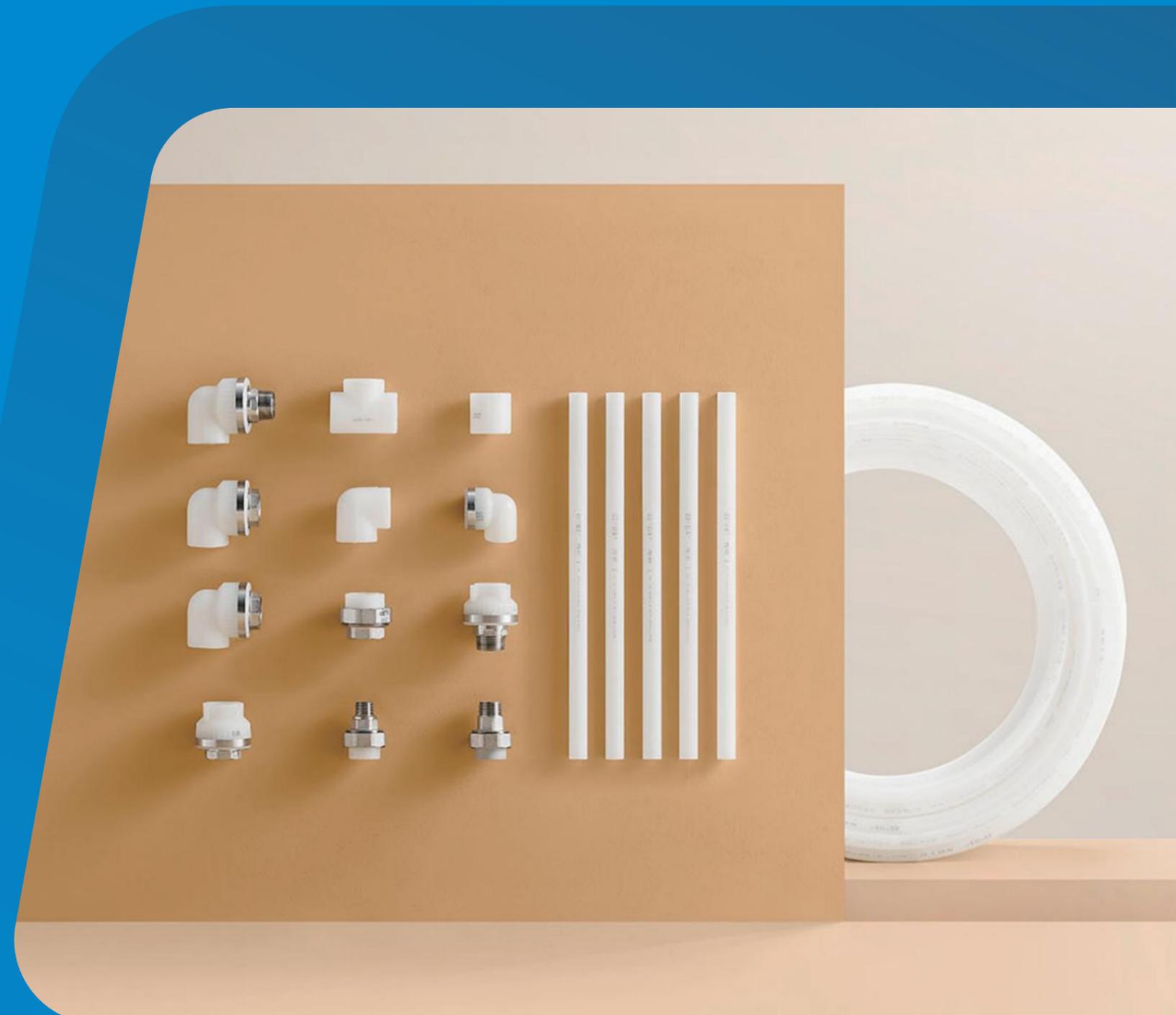
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ESRS S2 value chain employees

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