

2025

Sennics Co., Ltd.
Sustainability Report



About This Report

/ Reporting Period /

The Report covers from January 1, 2025 to December 31, 2025, with some information extending beyond this timeframe.

/ Reporting Boundary /

The report covers Sennics Co., Ltd. and its subsidiaries (Please refer to “Company Profile” and “Organizational Structure” for details). During the reporting period, Sennics Taizhou serves as a local liaison office and was not involved in production or operations. Any discrepancies between the data scope and the reporting scope are noted in the relevant sections of the report.

/ Preparation Principles /

The Report is prepared in accordance with the *GRI Sustainability Reporting Standards 2021 (GRI Standards 2021)* of Global Sustainability Standards Board (GSSB), the United Nations Sustainable Development Goals (SDGs), *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosure* of International Sustainability Standards Board (ISSB), *SASB Standards—Chemicals, Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial), Guidance No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Preparation of Sustainability Report, Guidelines to the State-owned Enterprises Directly under the Central Government on High-Standard Fulfillment of Social Responsibility in the New Era* by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) , and GB/T 36001-2015 Guidance on Social Responsibility Reporting.

/ Data Source /

All information and data disclosed in this Report are sourced from official documents and statistical records of Sennics Co., Ltd. Where historical data in this report differ from figures in previous reports, the data in this report shall prevail. To enhance the accuracy and clarity of data and information, certain indicators and content may be revised, with the reasons and impact clearly explained.

/ Abbreviations and Definitions /

In the Report, “Sinochem Holdings Corporation Ltd.” is abbreviated as “Sinochem Holdings”, “Sinochem International Corporation” as “Sinochem International”, Sennics Co., Ltd. as “we”, “Sennics” or “the Company”, and its subsidiaries “Sennics Co., Ltd. Shandong”, “Sennics Co., Ltd. Tai’an”, “Sennics Co., Ltd. Anhui”, “Sennics Co., Ltd. Lianyungang”, “Sennics Co., Ltd. Taizhou” and “Sennics Thailand Co., Ltd.” as “Sennics Shandong”, “Sennics Tai’an”, “Sennics Anhui”, “Sennics Lianyungang” , “Sennics Taizhou” and “Sennics Thailand” respectively.

/ Reporting Cycle /

The Report is published on an annual basis. The most recent sustainability report was released in August 2025.

/ Report Accessibility /

The Report is available in both print and electronic formats. To access the electronic version, please visit <http://www.sennics.com/18210.html>. For a printed copy, or if you have any questions or suggestions regarding the Report, please contact us at CSR-Sennics@sinochem.com or call us at 86-21-31769966/9988.

/ Report Feedback /

We welcome your feedback on Sennics' sustainability management and this Report. Please scan the QR code to share your views—your input will help us strengthen our sustainability disclosure and enhance our social responsibility management and practices.



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Message from the Chairman

As time goes on, a new chapter unfolds. 2025 marked the final year of China's 14th Five-Year Plan and a pivotal year in the chemical industry's transition toward high-end, green, and resource-efficient development. Facing capacity contraction, tighter compliance, intensifying competition, and stricter international carbon regulations, Sennics stays true to the nation's overarching priorities, upholds a "Made in China, Serving Global Markets" vision, and embeds sustainability into our corporate strategy and operations at every level. Responsibility underpins our foundation, innovation drives new growth, and our global presence reflects our leadership. We are moving forward with steady, determined steps on the path of high-quality development and green transformation.



Green transition: building a sustainable industry

The green and low-carbon transition is the only way forward for the chemical industry, and for Sennics, it is a mission-driven commitment. In 2025, we set proactive dual carbon targets beyond national requirements, advanced low-carbon process upgrades, and once again earned another Platinum rating from EcoVadis—clear evidence of our ESG governance in action. We have always regarded sustainability as an internal driver of development, instead of a cost. It must translate into advantages in our products, our brand, and our industrial strength, creating a self-reinforcing cycle of progress.

As downstream customers shift toward higher-end products and international carbon taxes and reduction mandates intensify, we are accelerating R&D on green and bio-based products, and advancing new antioxidants to replace 6PPD, protecting aquatic ecosystems. Through centralized green electricity procurement, waste-to-resource recovery, and process optimization, we continue to reduce energy consumption and emissions. We have integrated topics of climate change, work safety, and supply chain stability into our risk management system, supported by a systematic risk inventory and closed-loop management across the process. Through compliant operations and low-carbon practices, we safeguard both environmental safety and the industry's long-term sustainability.

Technological innovation: Sharpening global competitiveness

Innovation is the core engine of our development and the cornerstone of our ambition to become a global leader in high-grade, high-precision and specialty chemicals. During China's 14th Five-Year Plan period (2021-2025), we steadily expanded our industrial footprint and advanced project development, extending our value chain, broadening our product mix, and moving beyond reliance on any single product. We give equal weight to technological innovation and product pipeline development, accelerating the R&D and commercialization of our SA-series of green products. These greener, safer, higher-performing solutions meet the demanding performance and functional requirements of tires for new energy vehicles.

Our international presence is delivering tangible results, with Sennics Thailand now serving as a reliable global supply platform. Working alongside strategic customers, we are expanding into new markets together, accelerating our shift from industry participant to standard-setter and direction-setter. With deep technical expertise and a global outlook, we are expanding the value frontier of China's fine chemicals industry.

Shared responsibility: fulfilling our leadership mission

The ultimate value of an enterprise lies in giving back to society, empowering its people, and serving its customers. Our Board provides strong ESG strategic leadership, embedding ESG considerations into budget review, strategic planning, and risk management. We have established a Sustainability Committee to assign accountability at every level and drive implementation. We remain employee-centered, with concrete commitments to compensation and benefits, occupational health, and career development, so that the fruits of our success are shared with every contributor.

We stand by our pledge: A 1% Addition, Our 100% Commitment. Our uncompromising quality protects tire safety and end-user trust, and a responsible supply chain drives coordinated decarbonization across the value chain. In response to capital market expectations and international disclosure requirements, we systematically identify and disclose sustainability risks and opportunities. We are working to translate ESG investment into commercial value and brand reputation, so that intangible assets such as brand recognition and certifications become a tangible driver of long-term competitiveness. In this way, social benefit and economic performance reinforce each other.

Looking ahead to the 15th Five-Year Plan period, a new journey has begun. With innovation as our source, green development as our guide, and responsibility as our soul, we will continue to deepen our international presence, advance green technology innovation, and drive continuous product renewal. Guided by our sustainability vision of "Shared Growth, Protection, Momentum, and Vitality," we will work with partners worldwide as a zero-carbon pioneer rooted in high-grade, high-precision and specialty chemicals industry, together building an industrial ecosystem that is safe, reliable, environmentally friendly, and built to last. We will contribute our strength to the high-quality development of China's fine chemicals industry.

Fang Guoyu

Party Secretary and Chairman of Sennics

Sustainability Commitments

Innovation is the key to corporate development. Sennics innovates for green transition, together with customers, suppliers, and partners. In response to growing market demand for reliable supply, eco-friendliness, and high-performance materials, we are accelerating technology commercialization and industrialization, contributing Chinese expertise to the high-quality, sustainable development of the chemical industry.

- Fang Guoyu, Party Secretary and Chairman of Sennics

SCI-MAN+ 2030 Initiative	Commitments	Progress
Smart Manufacturing	- Complete the automation transformation of factories affiliated to Sennics to create a "smart network" for chemical production - Uphold the "Zero Loss" safety commitment to safeguard the safety of employees, communities, and customers - Leverage digital technologies to further strengthen information security capabilities and ensure zero information security incidents	- We drove intelligent production control: Sennics Shandong's Modular Monitoring System 2.0 propelled core production units into the new phase of smart manufacturing characterized by "model-driven and predictive operations"; Sennics Tai'an was recognized as the 2025 Shandong Provincial-level Advanced Smart Factory; Sennics Anhui was recognized as a Smart Factory for Green Rubber Antioxidants. - We have achieved the "Four Zeros" HSE targets and steadily improved the overall management. - We made a general upgrade to the digital systems to build an agile organization. No major information security incidents or privacy breaches occurred.
Clean Manufacturing	- Secure a Gold Medal in the EcoVadis assessment and join the Together for Sustainability (TfS) initiative - Ensure each subsidiary has obtained at least one provincial-level or higher "Green Factory" designation, reduce total waste by 10% compared to 2020 on a like-for-like basis, and maintain pollutant discharge compliance and hazardous waste disposal rates at 100% - Strive to achieve carbon peaking, advance the "Embracing 'Dual Carbon' for a Bluer Sky" initiative, and reduce comprehensive energy consumption of major products by 20% compared to 2021, contributing to China's Dual Carbon goals	- In February 2026, Sennics earned the EcoVadis "Platinum" rating, the highest CSR assessment level, placing it in the top 1% of companies assessed globally. - On April 27, 2022, Sennics joined the TfS. - Sennics Shandong, Sennics Tai'an and Sennics Anhui were recognized as Green Factories and Green Factories in the Petroleum and Chemical Industry in China by China's Ministry of Industry and Information Technology (MIIT) and China Petroleum and Chemical Industry Federation (CPCIF). Sennics Thailand was awarded Green Industry certification by the Ministry of Industry of Thailand. - Total waste declined by over 10% compared to 2020 on a like-for-like basis; pollutant discharge compliance rate and standardized disposal rate for hazardous waste both reached 100%; comprehensive energy consumption of major products decreased by over 10% compared to 2021.
Innovative Manufacturing	- Maintain annual R&D investment at no less than 3% of revenue - Achieve a circular economy process and product portfolio of no less than 80% - Pursue breakthroughs in eco-friendly additive development to support biodiversity conservation	- In 2025, R&D investment reached RMB 181 million, accounting for 5.86% of the revenue. - We announced the development progress of the new eco-friendly antioxidant SA6000, addressing the potential global market demand for new high-end eco-friendly antioxidant products. - Methyl isoamyl ketone (MIAK), a key raw material for high-end antioxidants, was produced in China for the first time.
Responsible Manufacturing	- Respect human rights and promote inclusive development, with no less than 20% of management roles held by women; work with employees and partners to protect the communities where we live and work - Establish a compliance management system, conduct at least one compliance audit annually, and promote anti-bribery and anti-corruption across the entire value chain	- We developed a multi-path development matrix throughout the career lifecycle, which helps employees enjoy decent work and life, and encourages talented individuals from more diverse backgrounds to join Sennics. We worked to create a diverse and inclusive workplace. Proportion of women in senior management positions reached 26.67%. - We implemented the <i>Sinochem Holdings Integrity and Compliance Manual</i>, developed the compliance system in an all-round and systematic way, and completed compliance risk assessments and the development of supporting systems, tools and forms. Meanwhile, we strictly prohibited commercial bribery, corruption, fraud, money-laundering, monopolies and other unfair competitive practices. - We strengthened community communication, established a regular sustainability disclosure mechanism, and continuously promoted responsible operations through annual sustainability reports, official website, official WeChat accounts, etc., mobilizing employees, customers, suppliers and other business partners to jointly contribute to a better future.

Sustainable development has become a global consensus and an imperative for driving technological innovation, green growth, and high-quality development in the chemical industry. Guided by its core values of "Customer Orientation, Innovation and Continuous Improvement, Open Minded and Caring for People, Teamwork and Collaboration, Taking Responsibility and Professional Dedication," and its innovation philosophy of ultimate and sustainable growth, Sennics is advancing its digital, intelligent, and service-oriented transformation under the "Smart Sennics" strategy. By fully implementing the SCI-MAN+ 2030 Initiative, the Company remains committed to its mission of "Leading Through Green Innovation" and its vision of becoming the "First Choice for Polymer Additives Worldwide."

Mission

Leading Through Green Innovation

Vision

First Choice for Polymer Additives Worldwide

Core Value

Customer Orientation, Innovation and Continuous Improvement, Open Minded and Caring for People, Teamwork and Collaboration, Taking Responsibility and Professional Dedication

Sustainability Strategy

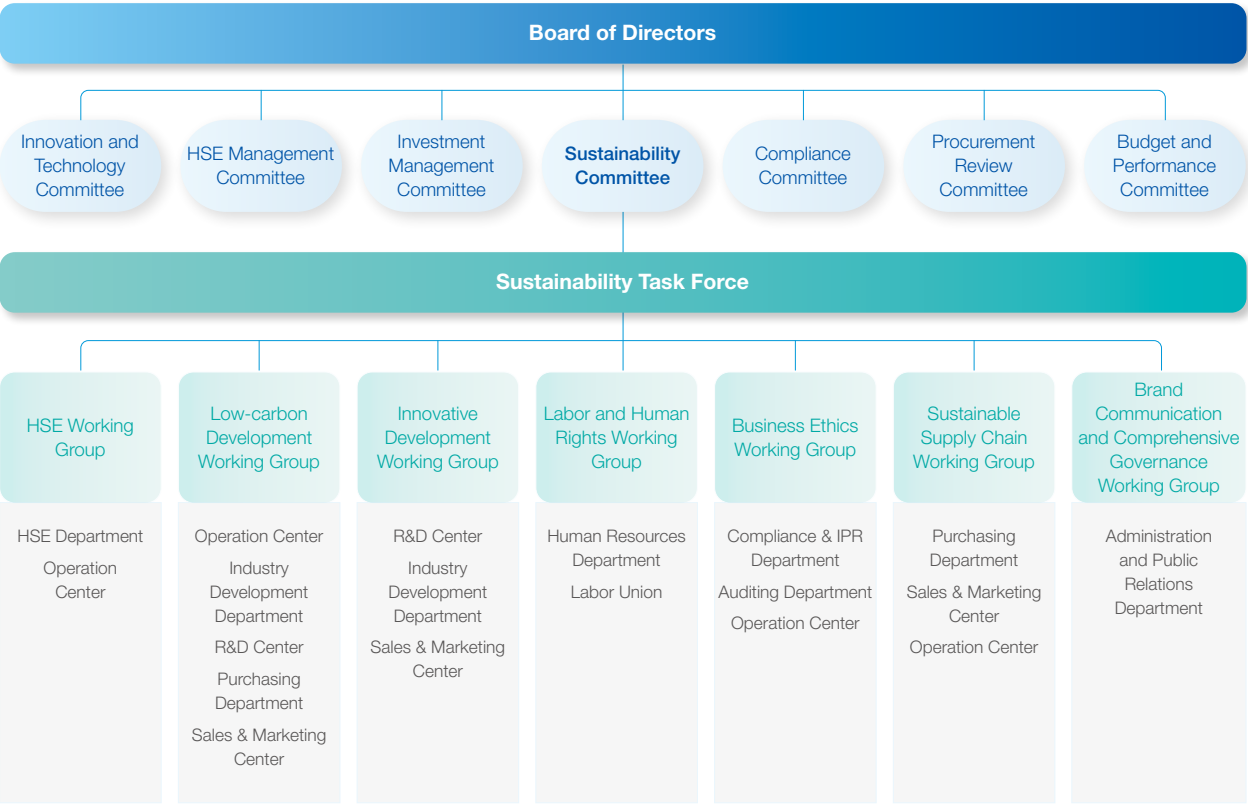


CSR Management

Sennics has always regarded sustainable development as the inevitable path to global competitiveness and value creation. Externally, we actively engage with key international CSR initiatives, including those led by governments, industries, and think tanks. We have joined the Responsible Care Initiative, the TFS Initiative, and the GoldenBee Global CSR 2030 Initiative, publicly affirming our commitments to environmental, social, and governance responsibilities. Internally, we launched the Sennics Sustainability Strategy in 2025, encouraging every employee, director, and partner to embrace and uphold our sustainability culture, contributing to higher standards of sustainable development.

Since 2021, we have established the Sustainability Committee and Sustainability Task Force, regularly identified related risks and opportunities, and formulated sustainability policies, medium- and long-term goals, and action plans. Through training and monthly meetings, we have continuously strengthened our ESG management capabilities, decision-making, and performance. We regularly review progress against our goals, update annual objectives based on evolving requirements and operating conditions, and adjust medium- and long-term targets as needed to align our strategy with the changing internal and external environment.

The Budget and Performance Committee regularly evaluates the performance of relevant personnel, including Sustainability Committee and Task Force members, based on annual target fulfillment. Currently, our organizational performance assessment includes indicators such as HSE, carbon emission reduction, sustainable procurement, and sustainability system development. Assessment results directly affect the performance pay and bonuses of relevant managers and executives. Through this mechanism, we continuously improve our performance in corporate governance, business ethics, environmental protection, safety management, labor and human rights, and sustainable procurement.



<http://www.sennics.com/sennics/kcxfz/kcxfzzl/A143006001Gone1.html>

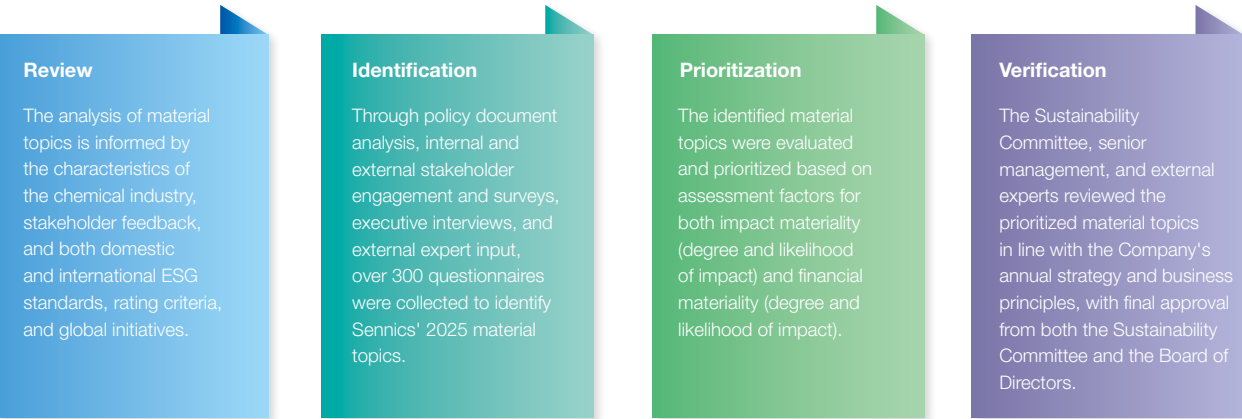
Click the above link to learn more about Sennics' sustainability strategy, commitments, governance structure, and responsibilities.

Stakeholder Engagement and Material Topics Management

The Company has expanded multiple communication channels to continuously identify and respond to stakeholder expectations and demands, using them as a key reference for improving its sustainability performance.

Shareholders Requirement Enhance innovation and profitability, improve corporate governance, fulfill information disclosure obligations, and lead industry development. Sennics response Promote steady business growth, continuously improve corporate governance, drive strategic transformation toward digital, intelligent, and service-oriented operations, and regularly publish sustainability reports.	Customers Requirement Uphold a safety-first, fast, and efficient service philosophy to deliver premium services and eco-friendly products. Sennics response Establish two-way communication mechanisms, ensure stable product supply, protect business secrets, develop safer and more environmentally friendly products, and provide diversified products and services.	Government and regulatory authorities Requirement Ensure compliance with laws and regulations, support national and regional economic development, maintain safe operations, implement energy conservation and emission reduction, and protect the ecological environment. Sennics response Operate with stability and integrity, pay taxes in compliance with laws, regularly report to regulators, continuously improve HSE management, practice circular economy, and deepen green factory development.
Employees Requirement Protect employees' legitimate rights and interests, provide a quality workplace, unblock career development pathways, and promote work-life balance. Sennics response Convene workers' congresses, increase investment in occupational health and safety, improve career development systems, enrich training programs, support employee well-being, and foster a diverse, equitable, and inclusive workplace.	Suppliers Requirement Ensure fair and transparent procurement, pursue mutual benefits, and jointly promote industry development. Sennics response Establish fair and transparent procurement processes, improve supplier admission and evaluation systems with sustainability-embedded audits, promote supplier diversity, advocate responsible procurement, join the TFS initiative, enhance supplier CSR capabilities, hold regular supplier conferences to share best practices, and build a sustainable supply chain together.	Communities Requirement Engage in public welfare and charitable initiatives, maintain safe and environmentally responsible operations, and serve community development. Sennics response Maintain open communication with communities, strengthen safe and environmentally responsible operations, understand community needs, promote local employment, drive regional economic development, and support education.

Sennics conducts regular materiality surveys among internal and external stakeholders. In 2025, we conducted our first double materiality assessment, covering both impact materiality and financial materiality. Through review, identification, prioritization, and verification, we identified 20 material topics—including 7 topics of double materiality—that are important to both the Company and its stakeholders. These findings also guided our priorities in CSR fulfillment and value creation across economic, social, and environmental dimensions. High-impact topics are disclosed in accordance with the "Governance–Strategy–Risk Management–Metrics and Targets" framework. For more details, please refer to the relevant chapters.



1. Business performance	2. Business ethics and compliance	3. Risk management	4. Cyber security and data privacy
5. Customer service and products management	6. Sustainable products and solutions	7. Supply chain management	8. Responsible procurement
9. Intelligent manufacturing	10. Innovation-driven development	11. Employee equality, diversity, and inclusion	12. Training and development
13. Employee rights protection	14. Effective resource utilization	15. Pollution control and ecological protection	16. Addressing climate change
17. Biodiversity conservation	18. Occupational health and safety	19. Community engagement	20. Promoting industrial development

GRI and SDG Mapping of 2025 Material Topics

Material topics	GRI Standards	SDGs	Stakeholders involved	Corresponding chapters and sections
Occupational health and safety	GRI 403 Occupational Health and Safety	Goal 3/8/16	Employees, suppliers	Green Growth: Sustaining Development with Ecological Resilience
Risk management	GRI 2: General Disclosures GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	Goal 16	Shareholders, suppliers	Integrity and Compliance: Building Trust for the Long-Term Development
Customer service and products management	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	Goal 3/12/16	Customers	Innovation for Chemistry: Redefining the Future
Pollution control and ecological protection	GRI 303: Water and Effluents GRI 305: Emissions GRI 306: Effluents and Waste	Goal 3/6/14/15	Government and regulatory authorities, communities	Green Growth: Sustaining Development with Ecological Resilience
Sustainable products and solutions	GRI 302: Energy GRI 305: Emissions GRI 306: Effluents and Waste	Goal 7/12/13	Customers	Innovation for Chemistry: Redefining the Future
Business performance	GRI 201: Economic Performance	-	Shareholders	Innovation for Chemistry: Redefining the Future
Innovation-driven development	-	Goal 9	Shareholders, suppliers	Innovation for Chemistry: Redefining the Future
Effective resource utilization	GRI 302: Energy GRI 303: Water and Effluents GRI 306: Effluents and Waste	Goal 6/7/12	Government and regulatory authorities	Green Growth: Sustaining Development with Ecological Resilience
Cyber security and data privacy	GRI 418: Customer Privacy	Goal 16	Customers, employees	Integrity and Compliance: Building Trust for the Long-Term Development
Business ethics and compliance	GRI 2: General Disclosures GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	Goal 5/16	Shareholders, government and regulatory authorities	Integrity and Compliance: Building Trust for the Long-Term Development
Employee equality, diversity, and inclusion	GRI 405: Diversity and Equal Opportunity	Goal 5/8	Employees	Harmony and Integration: Driving Shared Progress for a New Era
Supply chain management	GRI 205: Anti-corruption GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	Goal 8/16	Suppliers	Harmony and Integration: Driving Shared Progress for a New Era
Employee rights protection	GRI 201: Economic Performance GRI 202: Market Presence GRI 401: Employment GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor	Goal 1/3/5/8/10/16	Employees	Harmony and Integration: Driving Shared Progress for a New Era
Training and development	GRI 202: Market Presence GRI 404: Training and Education	Goal 4/5/8/10	Employees	Harmony and Integration: Driving Shared Progress for a New Era
Addressing climate change	GRI 201: Economic Performance GRI 305: Emissions	Goal 3/12/13/14/15	Government and regulatory authorities, customers	Green Growth: Sustaining Development with Ecological Resilience
Responsible procurement	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	Goal 5/8	Suppliers	Harmony and Integration: Driving Shared Progress for a New Era
Promoting industrial development	GRI 2: General Disclosures	-	Shareholders, suppliers	Harmony and Integration: Driving Shared Progress for a New Era
Biodiversity conservation	GRI 101: Biodiversity	Goal 6/14/15	Government and regulatory authorities, customers	Green Growth: Sustaining Development with Ecological Resilience
Intelligent manufacturing	-	Goal 9	Customers	Innovation for Chemistry: Redefining the Future
Community engagement	GRI 203: Indirect Economic Impacts GRI 413: Local Communities	Goal 1/2/4	Communities	Harmony and Integration: Driving Shared Progress for a New Era

Company Profile

About Sennics

Sennics Co., Ltd. (Sennics) is a world-leading comprehensive service provider of polymer additives, a subsidiary of Sinochem International. Guided by the motto of “In Science We Trust” and committed to the innovation concept on ultimate and sustainable growth, the Company is advancing its digital, intelligent and service-oriented transformation under “Smart Sennics” strategy, delivering superior products, service solutions, and brand new experiences to global customers.

Headquartered in the China (Shanghai) Pilot Free Trade Zone, Sennics operates multiple R&D centers and production facilities worldwide. Its product portfolio includes rubber antioxidants, vulcanizing agents, accelerators, and nitrobenzene, serving over 50 countries and regions across Europe, North America, and Southeast Asia. The Company is accelerating its “Glocal” strategy to build an agile supply chain that enables global production and local service. With sustained investment in R&D, HSE, and industrial collaboration, Sennics strives to be a trusted partner and a green leader in the global polymer additives industry.

The Company has been recognized as a National High-tech Enterprise, received two National Manufacturing Single Champion honors, and been named a National-level Specialized and Sophisticated “Little Gaint” Enterprise, and a Demonstration Enterprises to Build World-class Specialized and Sophisticated Enterprises that Produce New and Unique Products by the SASAC. It has also been cited as an outstanding achievement under the Central SOE Brand Leadership Initiative and selected as a National Typical Case of Quality Improvement and Brand Building.

Profile of the Controlling Shareholder

Sinochem International Corporation (Sinochem International) is a large-scale state-holding listed company with strong global competitiveness in intermediates and new materials, polymer additives, and other related fields. Its products and services reach over 100 countries and regions across the globe.

As a driver of industry progress, we are committed to a data-based, results-oriented, and technology-driven approach to sustainability. Leveraging our robust technological innovation capabilities and diverse product portfolio, we work with our business partners to deliver more green products and solutions to the industry.

— Gao Shiming, CEO of Sennics

Honors in the Reporting Period (Partial)



Honors

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Sennics ranked 29th among the 2025 Top 100 Chinese Fine Chemical Enterprises and 6th among the Top 10 Innovation-Driven Fine Chemical Enterprises, and was once again listed among the Top 500 Chinese Petroleum and Chemical Enterprises (ranked 89th).


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Sennics was recognized as an outstanding achievement under the “Central SOE Brand Leadership Initiative.”


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Sennics was named among the first batch of “Sinochem Top 50 Brands.”


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Sennics’ initiative “Revolutionary Actions in Quality Standards and Cultural Development Inject New Vitality into Brand Building” was selected as a “Typical Case in Brand Building” by the Ministry of Industry and Information Technology (MIIT).


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Sennics was honored as a “Pioneer in Going Global” by the Pudong New Area Government of Shanghai.


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Sennics Shandong was once again recognized as one of the “Top 50 Enterprises by Comprehensive Strength in Shandong Rubber Industry.”





Technological Innovation

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Sennics received the AAA Well-Known Trademark Certification, with three registered trademarks included in the Second Batch of Key Trademark Protection List of Shanghai Pudong New Area.


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Sennics’ integrated operation and management platform was selected as an outstanding case of digital transformation in the petrochemical sector during the 14th Five-Year Plan period.


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Sennics Tai’an was honored as a “2025 Shandong Provincial Advanced Smart Factory” and awarded the title of “6PPD Smart Factory”, and was included in the list of Excellent Smart Manufacturing Scenarios of Tai’an City.


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Sennics Anhui passed the review for “2025 Anhui Provincial Advanced Smart Factory” and was awarded the title of “Smart Factory for Green Rubber Antioxidants,” and its Qinglan Talent Development Program won the first prize among the 18th National Petroleum and Chemical Enterprise Management Innovation Achievements.


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Sennics’ continuous preparation device and method for PPD-type antioxidants won the Silver Patent Award of Sinochem.





Social Responsibility

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Sennics retained the highest EcoVadis rating—“Platinum”, ranking in the top 1% globally.


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Sennics won the “Sustainability Leading Enterprise Award”, “ESG Competitiveness—Carbon Peak & Neutrality Pioneer Award” and the “ESG Supply Chain Management Award”.


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Sennics was recognized as a “Green Supply Chain Management Enterprise” in Shanghai.


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Sennics got B ratings for CDP Climate Change and Water Security Questionnaires.


- 

Sennics’ “Embracing ‘Dual Carbon’ for a Bluer Sky” program was recognized as the 2025 Excellent ESG Case of Chinese and Foreign Enterprises in Pudong New Area.


- 

Sennics won the “GoldenBee Excellent Sustainability Report 2025 · Two-Star Evergreen Award.”



Building on a Five-Year Legacy to Embark on a New Journey



During the 14th Five-Year Plan period (2021-2025), China's chemical sector underwent a profound transformation —from scale-first to quality-first, from factor-driven to innovation-driven, and from carbon-intensive to low-carbon. Guided by the vision of becoming the “First Choice for Polymer Additives Worldwide”, Sennics integrated sustainability into the core of its business management. Through green transition, shared social value, and sound governance, the Company has forged ahead on its sustainability journey with growing confidence and expanding impact.

Sustainability in Progress



Leading Green Innovation for a Low-Carbon Future

During the 14th Five-Year Plan period, Sennics developed a green transition blueprint to deeply align with the national “Dual Carbon” strategies. With a forward-looking vision, the Company has continuously evolved from “greening within” to “greening across the industrial chain.” We had also proactively contributed to the “Beautiful China” initiative, embedding green and low-carbon development into the very fabric of high-quality growth.

Five-Year Commitments

We built a full-process carbon accounting, carbon management, and carbon reduction system, achieving refined, digital, and institutionalized low-carbon operations. Our independently developed “Carbon Housekeeper,” which allows for real-time visualized data statistics and analysis, enables integrated management and holistic oversight of corporate carbon footprint and carbon reduction efforts. This empowers the targeted implementation of “dual carbon” goals.

We developed a robust and resilient green product portfolio. Specifically, we accelerated the R&D of new eco-friendly antioxidants such as SA6000, bio-based antioxidants, and reactive antioxidants. Meanwhile, we built a complete industrial chain comprising antioxidants 7PPD, 77PD, TMPPD, and intermediates MIAK and DIBK, while maintaining our mature products such as IPPD, TMQ, and 3100. Through green circular processes, we independently developed specialty amines, specialty ketones, and other product lines, making breakthroughs in multiple key technologies.

Through tighter “three wastes” (waste gas, wastewater, solid waste) management, circular economy development, and enhanced energy utilization efficiency, we adopted a combined strategy to reduce costs and carbon emissions, accelerating energy transition and achieving significant carbon reduction results.

We incorporated low-carbon requirements into procurement standards, encouraging suppliers to formulate emission reduction plans and implement low-carbon projects. We also promoted carbon footprint tracking, data transparency, and upstream-downstream collaborative carbon reduction across the supply chain. In this manner, we have continuously driven the establishment of a green supply chain for the industry.

The three domestic production bases—Sennics Shandong, Sennics Tai'an, and Sennics Anhui—were recognized as Green Factories by MIIT. Our overseas production base, Sennics Thailand, was awarded Green Industry certification by the Ministry of Industry of Thailand, achieving full coverage of the green manufacturing system.

Five-Year Performance

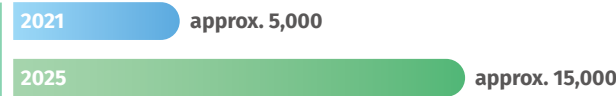
Reduction in comprehensive energy intensity per unit of industrial output value compared to the end-of-2020 baseline (%)



Total investment in environmental protection (RMB 10,000)



Carbon emissions reduced (ton)

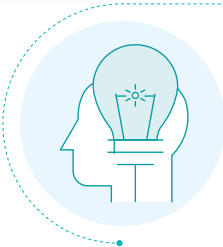


Industrial water reuse rate (%)



Five-Year Honors

- 2021**
The new TMQ process was included in the *Directory of Green Technologies in the Petrochemical Industry (2020 Edition)*.
- 2022**
Our self-developed “Carbon Housekeeper” system, built on MES system data architecture with independent intellectual property rights, was launched and recognized by customers.
- 2023**
Sennics Anhui obtained the National Green Electricity Certificate, becoming one of the first businesses in Anhui Province to use green electricity.
- 2024**
Sennics won the ESG Competitiveness—Carbon Peak & Neutrality Pioneer Award.
- 2025**
Sennics received the Carbon Footprint Verification Statement and the Sustainable Development Performance Award from the British Standards Institution (BSI).



Collaborating for Shared Success

Looking back on the 14th Five-Year Plan period, Sennics remained true to its mission and core values, taking greater responsibility, driving industry development with concrete actions, and embracing a broader vision of social responsibility. Building on its industrial expertise and resource strengths, the Company continuously created greater value for customers, partners, employees, and other stakeholders, working hand in hand with all to build a better shared future.

Five-Year Commitments

With “Smart Sennics” at its core, we developed an integrated production-supply-sales operation and management platform (AOP System), achieving full-process order transparency and intelligent management. This system effectively drives product quality upgrades and flexible supply chain management, accurately addressing market and customer demands.

Sennics Shandong and Sennics Tai’an both obtained SA 8000 and ISO 45001 certifications. Their occupational health and safety management systems were fully aligned with international standards.



Focusing on the industry’s frontier fields, we regularly hosted high-level industry seminars and actively participated in the world’s top exhibitions to facilitate industry exchanges and technological progress on an ongoing basis.

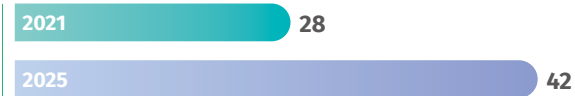
The “Blue-Collar Program” was launched to open up career advancement pathways for skilled workers. Over 100 employees were awarded “Senior Technician” titles.

Five-Year Performance

Intellectual property applications (including patents and copyrights)



Intellectual property rights granted (including patents and copyrights)



Total investment in work safety (RMB 10,000)



Fatal accidents, environmental incidents of general impact or above, new occupational diseases, division-level quality accidents, major HSE negative public opinions

The Pursuit of 0





Five-Year Honors

2021

Sennics Comprehensive Testing Center obtained accreditation from the China National Accreditation Service for Conformity Assessment (CNAS).

2022

Sennics was honored as the Sustainable Development Model Enterprise at the 12th China Philanthropy Festival.

2023

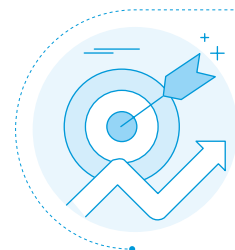
Sennics Tai'an was honored with the title of National Quality Leading Enterprise in the Chemical Manufacturing Industry and National Product and Service Quality Integrity Brand by the China Association for Quality Inspection.

2024

Zhang Xiqing Innovation Studio ranked 12th in the Shandong Provincial Innovation Studio competition.

2025

Sennics was recognized as a Green Supply Chain Management Enterprise by the Shanghai Municipal Commission of Economy and Informatization.



Strengthening Governance for Sustainable Growth

Integrity and compliance are the lifeline for a company's steady and long-term growth, and the very foundation of Sennics' commitment to responsibility. The Company has always upheld business ethics, embedding integrity and compliance into every stage of strategic decision-making and business operations. With clear strategic resolve, we have strengthened governance, enhanced governance effectiveness, and ensured that every commitment to responsibility is fulfilled.

Five-Year Commitments

We established a full-chain compliance management system covering anti-corruption, anti-fraud, anti-monopoly, information security, and intellectual property protection. The solid governance ensures the Company's stable and long-term development.

We were engaged in and responsive to major domestic and international CSR initiatives. We have joined the Responsible Care commitment, the Together for Sustainability (TfS) initiative, and the GoldenBee Global CSR 2030 initiative, through which we have publicly communicated our ESG commitments.

We continuously promoted the deep integration and mutual empowerment of brand and business. By investing in premium brand building and valuable brand equity, we bolstered our core business functions and competitive edge. As a result, Sennics was successfully selected as one of the first batch of "Sinochem Top 50 Brands."

We have supported over 10 core suppliers in achieving EcoVadis ratings, with results recognized globally.

Five-Year Performance

Total revenue (RMB billion)



Proportion of female managers consistently honor the commitment to maintain at least



Coverage of employees trained in anti-corruption and anti-bribery

Coverage of employees trained in cyber and information security

Signing rate of the *Supplier Code of Conduct*, sustainable procurement assessment coverage, and on-site audit coverage for core suppliers



Five-Year Honors

2021

Sennics ranked 43rd among the 2021 Top 100 Chinese Fine Chemical Enterprises by the National Fine Chemical Raw Materials and Intermediates Industry Collaboration Group, the China Chemical Information Center, and the China Chemical Industry Information Association.

2022

Sennics received the 2021 Outstanding Economic Contribution Award from Pudong New Area.

2023

Sennics was included in SASAC's list of "Demonstration Enterprises to Build World-class Specialized and Sophisticated Enterprises that Produce New and Unique Products".

2024

Sennics Anhui was honored as a Model Unit of Central SOEs by the SASAC and the Ministry of Human Resources and Social Security.

2025

Sennics ranked 29th among the Top 100 Chinese Fine Chemical Enterprises and 6th among the Top 10 Innovation-Driven Fine Chemical Enterprises.

Looking ahead to the 15th Five-Year Plan period and beyond, Sennics will seize the opportunities of the times with clear strategy, solid innovation, and a deep sense of responsibility, steadfastly advancing sustainable development. Like a hummingbird in flight, we are moving swiftly toward a new future defined by technology and green innovation.

Integrity and Compliance

Building Trust for the Long-Term Development

FORUS
领跑者体系

所有安全事故都是可以预防的

FORUS
领跑者体系

涉爆场所 现场操作人员不得超过2人

FORUS
领跑者体系 安全从领导开始

Our Focus

Governance is the cornerstone of sustainable development. A sound governance mechanism and compliance management system ensure that every move step we make is grounded in sound principles, enabling steady and sustained progress. Sennics continuously refines its corporate governance structure and risk management framework. We uphold integrity and business ethics, mitigate operational risks, and enhance modern governance capabilities, striving to fulfil our commitments to the environment, society, and employees through stable operations.

Outlook

A sustainable future begins with clear direction and robust systems. We will continue to build strong governance and management systems, stay true to the principle that "compliance creates value," and foster a healthy and orderly business ecosystem. Every decision we make is aimed at long-term impact and aligned with our sustainability strategy.

Improving Corporate Governance

Senior management governance

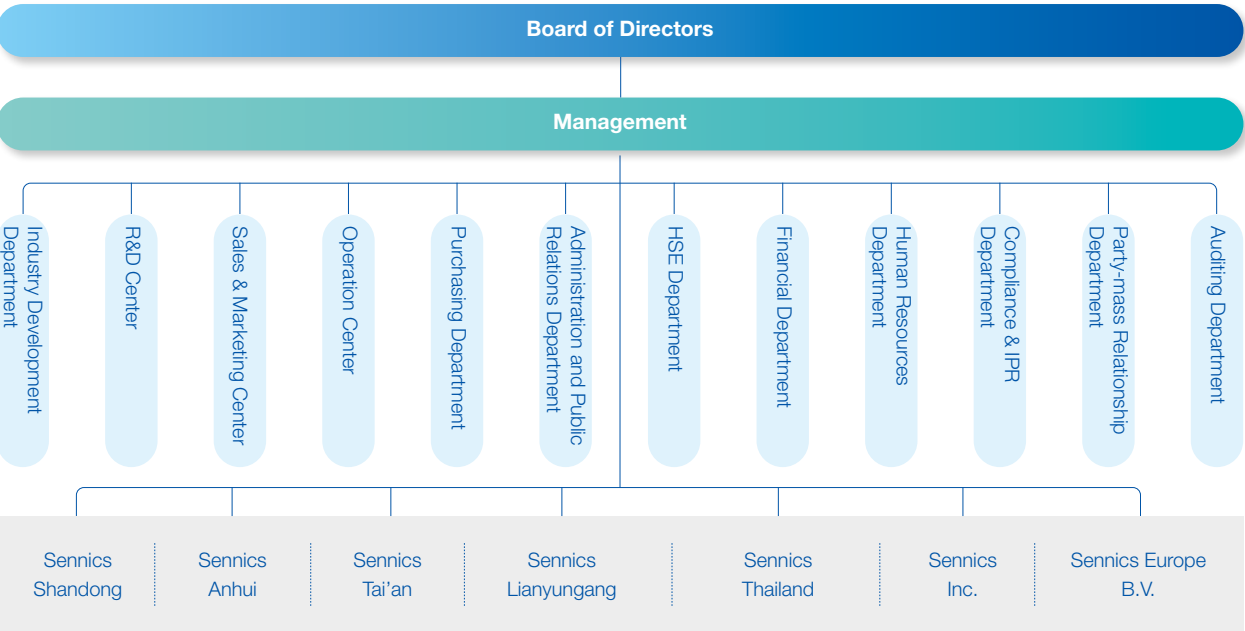
A robust corporate governance system underpins the compliant operation and long-term value creation. To this end, Sennics is dedicated to modernizing its corporate governance and continuously strengthens the functions of the Board of Directors. The Company also continuously enhances decision-making and coordinated governance to ensure the standardized operation, informed decision-making and efficient performance of Board duties.

Sennics strictly complies with China's *Company Law* and other applicable laws and regulations, as well as its internal *Articles of Association*, the *Deliberation Rules of the Board of Directors*, and the *Regulations on the Authorization of the Board of Directors*. The Company makes ongoing efforts to establish a corporate governance mechanism characterized by well-defined rights and responsibilities, smooth operations, efficient coordination, and effective checks and balances. Board meetings are convened regularly in accordance with regulations to review major issues in business operations. Preliminary communication on proposals and internal and external approval processes are completed beforehand to ensure scientific and effective decision-making. This provides solid governance support for the Company's sustainable and healthy development. In 2025, the Company passed one written resolutions through Shareholders' Meetings, one Board resolutions on on-site Board meetings, and four written Board resolutions.

The Company actively optimizes Board composition and continuously enhances Board diversity. Gender, language, cultural background, and industry experience are incorporated into the criteria for selecting director candidates, which lays a solid foundation for scientific decision-making. The Board comprises seven directors, including five external directors and two internal directors, with one female director. The Board of Supervisors fully exercises its oversight functions, regularly monitoring the performance of the Board and the Company's operations. Meanwhile, the Company strictly implements the requirements on conflicts of interest, business activities and market competition stipulated in the Sinochem Holdings Convention on the *Duties of Compliance and the Sinochem Holdings Integrity and Compliance Manual*.

The appointment and compensation of directors are determined by the Shareholders' Meeting in accordance with the *Articles of Association*. Appointments to key positions is pre-reviewed by the Party Committee and decided by the Board. The compensation and performance are determined and assessed under our *Compensation Management Measures*, which include monthly salaries, annual performance bonuses, incremental performance sharing program, tenure-based incentives and equity incentives. Additionally, the Board presents an annual debriefing report to the Shareholders' Meeting, detailing its duty performance. A dedicated evaluation team composed of the relevant department heads and senior executives is established to conduct annual performance assessments of directors.

Organizational structure



Upholding Compliance and Business Ethics

Governance

At Sennics, business ethics and compliance management are regarded as the bedrock of corporate development and global competitiveness. The Company has established a Sustainability Committee with a Business Ethics Working Group under it, comprising the Legal Compliance and IPR Department, the Auditing Compliance Department, and the Operation Center. As the dedicated unit for compliance and business ethics governance, the Working Group is responsible for the overall management, coordination, inspection, and supervision of issues concerning anti-corruption, anti-bribery, anti-unfair competition, anti-monopoly, conflicts of interest, anti-money laundering, and information security. Each year, the Business Ethics Working Group regularly reports to the Sustainability Committee on the formulation, implementation progress, and outcomes of its annual work plans.

The Company has also developed a full-chain management system covering anti-corruption, anti-fraud, anti-monopoly, information security, and intellectual property protection. Relevant plans are subject to review and approval by the Board of Directors. Meanwhile, a Compliance Management Committee has been established to continuously improve compliance operation mechanisms and risk prevention procedures. The goal is to fortify the compliance defense line and improve governance in all respects.

Internal control and compliance management

We rigorously abide by the applicable laws and regulations in all jurisdictions where we operate, as well as internal compliance policies, including the *Sinochem Holdings Integrity and Compliance Manual*, the *Sinochem Holdings Anti-trust Compliance Manual*, the *ABCs of Trade Compliance Practice for Chinese Enterprises*. We also take solid steps to align with the *Compliance Management Measures for Central State-Owned Enterprises (SOEs)*, and the *Chemicals SBU's Action Plan to Implement the Compliance Management Measures for Central State-Owned Enterprises as Required by Sinochem Holdings*. The Company has formulated and issued internal *Risk Management Regulations*, *Compliance Management Regulations*, and *Working Rules for the Compliance Committee*, explicitly prohibiting bribery, corruption, fraud, money laundering, monopoly, unfair competition, and other compliance violations.

Anti-corruption

In strict compliance with Sinochem Holdings' *Integrity and Compliance Manual*, *Compliance Obligation Convention*, *Compliance Responsibility Agreement*, *Anti-Commercial Bribery Compliance Manual*, and other regulations, Sennics has formulated internal policies such as the *Management Measures on Integrated Supervision System*, the *Management Measures on Integrity for Management Personnel*, and the *Anti-Corruption System Standards*. The Company adopts a "zero-tolerance" policy toward any form of bribery and corruption and takes a firm stance against corrupt practices.

Cyber and information security

Sennics strictly complies with relevant laws and regulations such as *China's Cybersecurity Law*, *Data Security Law*, and *Personal Information Protection Law*, as well as the *EU's General Data Protection Regulation (GDPR)*. The Company continuously refines its confidential file list to build a robust and standardized information security system. Moreover, our IT infrastructure operations and information security are managed by our holding company, Sinochem International, which is staffed with dedicated cybersecurity engineers to oversee vulnerability warning, scanning, remediation and control.

IPR protection

Sennics has incorporated intellectual property protection into its core strategies for long-term planning. We strictly comply with laws and regulations such as *China's Patent Law* and the *Implementing Regulations of the Patent Law*. Supported by the Legal Compliance & IPR Department, we have developed an intellectual property rights (IPR) protection management framework to safeguard our IPRs and proprietary technology rights while respecting the intellectual property of all market participants. Meanwhile, we continue to broaden the scope of our IPR protection, cultivate high-value patents, and standardize trademark management and brand value enhancement. By continuously improving IPR creation, utilization, protection, and full-chain management capabilities, we facilitate the efficient operation and commercialization of intellectual property, thereby driving industrial upgrading. This lays a solid foundation for the Company's long-term innovation and steady development.



Click the link below to learn more about Sennics' Corporate Governance and Business Ethics Policy

<http://www.sennics.com/sennics/kcxfz/kcxfzzc/gszlysyde/A143006003001Gone1.html>



Strategy

Committed to becoming a global leader in high-grade, high-precision and specialty chemicals, Sennics upholds high standards of business ethics across all operations. We continuously improve our management systems in legal compliance, integrity, anti-corruption, data security, and IPR protection. We also strictly comply with international standards and host-country regulations regarding fair competition, anti-money laundering, and anti-commercial bribery. Alongside our targeted risk mitigation efforts, we capitalize on industry opportunities to drive the steady operation and long-term, high-quality development.



Analysis of Risks and Potential Financial Impacts Related to Compliance and Business Ethics

Risk Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Internal control and compliance risks	- Commercial bribery risk: The fierce competition in the chemical industry may give rise to corruption, bribery and other shady deals in procurement and sales, especially during overseas market expansion. - Internal control management risk: The company may fall into the trap of "ineffective compliance" —where policies remain on paper and fail to mitigate real risks (e.g., internal control manuals that are disconnected from day-to-day operations).	Moderate	Upstream Operation Downstream	-Increased operating costs -Increased compliance costs	Short-term Mid-term Long-term	- Establish a Compliance Committee to develop a comprehensive risk management system and risk prevention mechanism. - Conduct annual identification and control of major risks across all operational and management links, and develop a closed-loop management process covering risk identification, assessment, and targeted control.
Information security risks	Data and customer privacy leakage may violate relevant laws and regulations, and bring information leakage risks. It may harm customers' rights and interests, diminish their trust in the company, and tarnish the company's reputation and image.	Low	Operation Downstream	-Increased operating costs	Short-term Mid-term Long-term	- Carry out cybersecurity certification, testing, and risk assessment on a regular basis, and formulate emergency response plans for cybersecurity incidents. - Strengthen the network and information security and confidentiality training for employees.
IPR risks	Ineffective IP management, coupled with a lack of early warning and prevention mechanisms, may increase the risk of infringement.	Low	Upstream Operation Downstream	-Increased operating costs	Short-term Mid-term Long-term	Establish an IPR management system and continuously enhance capabilities in IPR creation, utilization, protection, and lifecycle management.

Analysis of Opportunities and Potential Financial Impacts Related to Compliance and Business Ethics

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Compliance opportunities	Effective compliance management can contribute to better corporate management and operational efficiency. This helps to establish a positive brand image and secure the trust of customers, investors, and partners, thereby boosting market competitiveness.	High	Upstream Operation Downstream	+Increased intangible assets	Mid-term Long-term	- Continuously improve the enterprise compliance management system, and streamline management processes with standardized compliance procedures. - Embed compliance culture across the workforce.
Information security opportunities	Complying with relevant laws and regulations and protecting information security and customer privacy to maintain the trust between the company and its customers.	High	Upstream Operation Downstream	+Enhanced brand value and boosted market confidence	Mid-term Long-term	- Benchmark against relevant laws and regulations on cybersecurity, data security, and personal information protection to establish a tiered and classified data security management system. - Regularly conduct information security risk inspections, vulnerability remediation, and employee information security training.
Technology opportunities	The launch of the IPR management platform empowers systematic management of patents, trademarks, copyrights, and other intangible assets throughout their lifecycle, making the management of intangible assets more centralized, efficient and safer.	High	Upstream Operation Downstream	+Enhanced operational management efficiency and lower labor costs	Mid-term Long-term	- Implement refined online lifecycle management of patents, trademarks, and copyrights. - Accelerate the commercialization of core technologies in the chemical sector.
Brand opportunities	The fulfillment of social responsibility can help broaden communication channels with stakeholders, establish a responsible brand image, and win the trust of customers and partners.	High	Upstream Operation Downstream	+Enhanced brand value and boosted market confidence	Mid-term Long-term	Continuously implement the sustainability strategy and regularly disclose CSR performance.

Risk management

Mitigating internal control risks



The Compliance Management Committee takes the lead in compliance and risk management. A comprehensive risk management system and risk prevention mechanism has been established to implement closed-loop management covering risk identification, assessment, and targeted control. Based on the three defense lines—“functional, risk, and audit departments”, we conduct multi-dimensional risk assessments annually in a tiered and categorized manner. The risk assessments span all organizational levels, from frontline business units and functional departments to the management. A systematic risk inventory is formed around key areas such as strategic planning, technology R&D, work safety, HSE management, and external macro trends. Subsequently, we will conduct risk level assessment and prioritization, perform quantitative risk analysis and issue early warnings, and develop tailored risk response strategies and contingency plans. Meanwhile, we clarify risk management responsibilities at all levels, define implementation pathways, and establish supporting performance assessment and constraint mechanisms. In addition, we conduct annual risk control reviews, comprehensively assess the risk landscape, and continuously optimize risk prevention and control measures to achieve full-process closed-loop management. We have also compiled an Employee Compliance Manual and implemented a daily compliance risk reporting mechanism to strengthen the foundation of compliant operations on all fronts.

Upholding zero tolerance for corruption



Integrity risk points are identified and assessed on a regular basis. We have also established anti-corruption supervision mechanisms, and conducted internal and external audits to ensure their effectiveness. We encourage anti-corruption accreditation and conduct due diligence on third-party partners. Meanwhile, we have established sensitive transaction approval procedures, improved reporting channels and whistleblower protection mechanisms, and encouraged contractors and suppliers to jointly prevent and counter corruption. In 2025, all employees signed the *Integrity and Self-Discipline Commitment Letter* and the *Supervision Target Notification Letter*, solidifying their integrity responsibilities. For key areas and critical positions, we conduct regular integrity risk education and preventive warnings to strengthen the ideological defense against corruption.

Ensuring information security



We have established a risk prevention framework and an emergency response mechanism for information security vulnerabilities. Regular cybersecurity accreditation, testing, and risk assessments are conducted, with emergency response plans ready to address system vulnerabilities, computer viruses, cyber attacks, and other cyber incidents, preventing unauthorized access to or disclosure of third-party data. We respect and protect customer privacy and partners’ trade secrets, and will obtain consent from relevant parties when processing, sharing, and retaining confidential information. In 2025, Sennics revised the *Confidentiality Management Measures*, and organized confidentiality training for all employees, effectively strengthening their confidentiality awareness and security capabilities. We also successfully completed the re-assessment of ISO 27001 Information Security Management System certification, and achieved 100% coverage of cyber and information security training.

Strengthening IPR protection



We continuously improve our multi-dimensional IPR protection system, safeguard the rights and interests of innovation achievements, and strengthen employee awareness of IPR risk prevention. Through these measures, we consolidate the foundation for compliant business development. In 2025, Sennics launched a campaign on April 26—the World Intellectual Property Day and organized specialized patent mining training. Leveraging hands-on training and on-site technical mining as dual drivers, we accelerated the output of technical disclosure documents, streamlined the full process from R&D to patent protection, and created a closed loop linking innovation with IPR protection.

Reporting and feedback

Sennics authorizes its Auditing Department to receive reports and investigate business ethics violations. If you have any questions about this policy, or become aware of any suspected or actual violations such as corruption, bribery or data privacy breaches, please report them through the channels below. Once verified, penalties will be imposed based on the severity of the misconduct and the resulting losses to the Company, and may include warnings, salary reductions, demotions, disciplinary actions, or termination of employment. In cases of gross misconduct with serious consequences, the Company will consider referring the matter to judicial authorities for criminal prosecution.

Email: Sennics-xfjb@sinochem.com

Hotline: **021-68373744**

Address: The Auditing Department of Sennics, Floor 7, No. 233 North Changqing Road, Pudong New Area, Shanghai

Metrics and targets

2027 Targets

0 business secret leakage incidents
≥ 10 business secret training sessions per year
Compliance training covers all employees at both headquarters and subsidiaries

100% employee training coverage on anti-corruption and anti-bribery
100% of annual corruption reports addressed

0 network intrusion and information leakage incidents
100% employee information security training coverage

Progress in 2025

4 anti-trust and anti-unfair competition training sessions held for personnel from the legal, sales, marketing and strategy departments, with a total of **132** trainees, and **100%** coverage of key positions at director level and above
10 business secret trainings sessions carried out for all employees
19 training sessions on intellectual property rights and legal compliance carried out, with a total of **38** training hours
1 compliance management training session held, with **100%** coverage of both headquarters and subsidiaries
64 anti-corruption and anti-bribery training sessions conducted, with **7,930** participants—achieving 100% coverage and totaling **11,602** training hours
0 reports related to corruption or bribery, **0** case of corruption and violations
0 legal actions for monopoly and anti-competitive behavior
0 cybersecurity incidents or information leakages
0 system failures or cyber attacks during the “Blue Sky” initiative
100% coverage of employee cybersecurity and information security training sessions
15 training sessions on phishing email simulation and warning

Innovation for Chemistry Redefining the Future

Our Focus

Sennics regards technological innovation as the core engine of development, digital and intelligent transformation as the key enabler of quality and efficiency, and a commitment to quality as the foundation for steady, long-term growth. Guided by innovation, digital empowerment, and quality excellence, the Company advances core technology development, accelerates digital transformation, and reinforces quality control across all processes. Through solid innovation, intelligent operations, and outstanding service, Sennics continues to build its core industrial competitiveness and sustainable development edge.

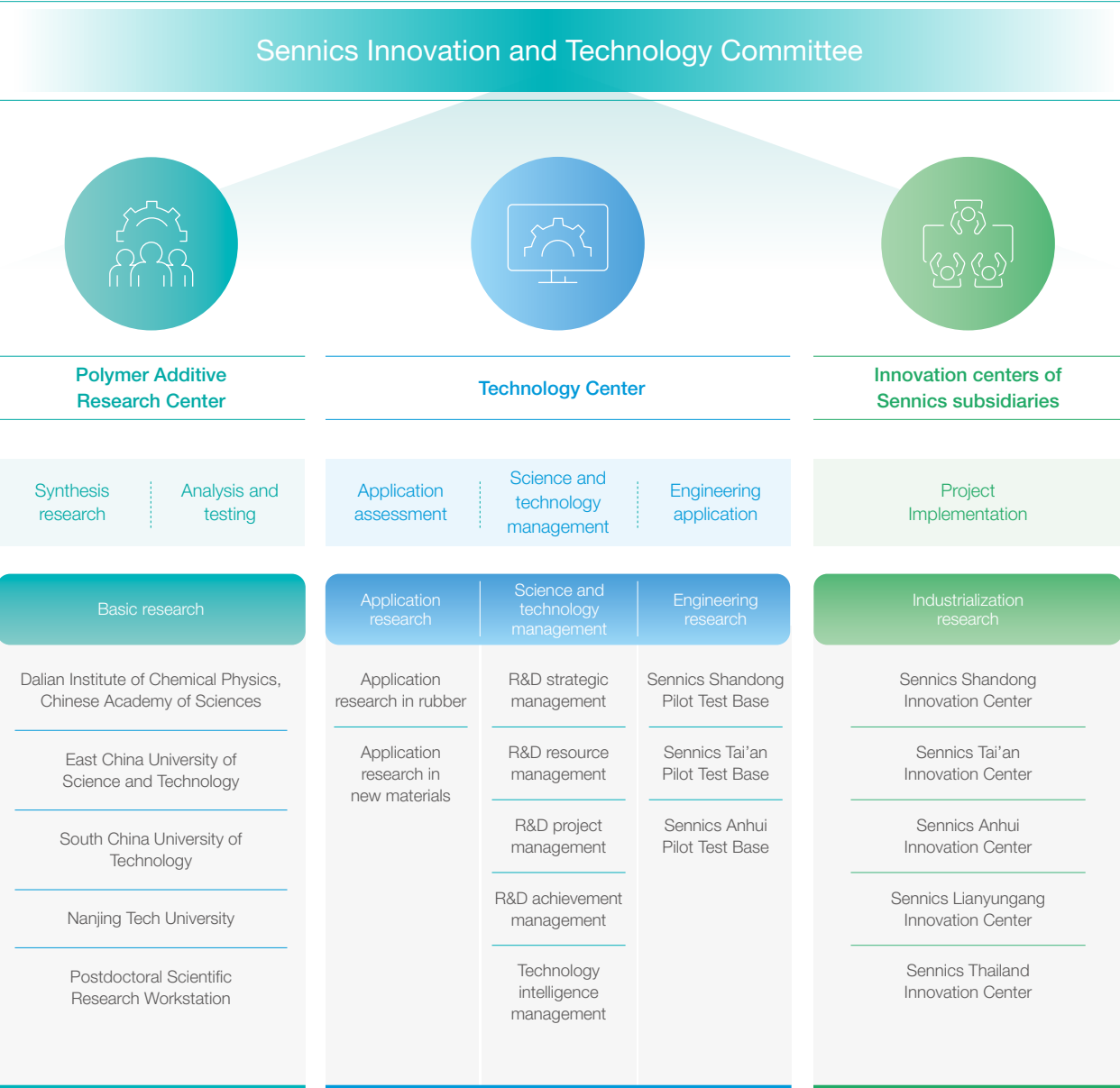
Outlook

Going forward, we will drive industrial upgrading through technological innovation, deepen digital and intelligent transformation and smart factory practices, and further improve our quality and service systems. Prioritizing green and low-carbon solutions, high-end specialty products, and intelligent manufacturing, we will pursue breakthroughs in key technologies, raise operational efficiency, and consolidate the quality foundation, advancing toward world-class standards through new, intelligence-driven productive forces.

Committing to Innovation Leadership

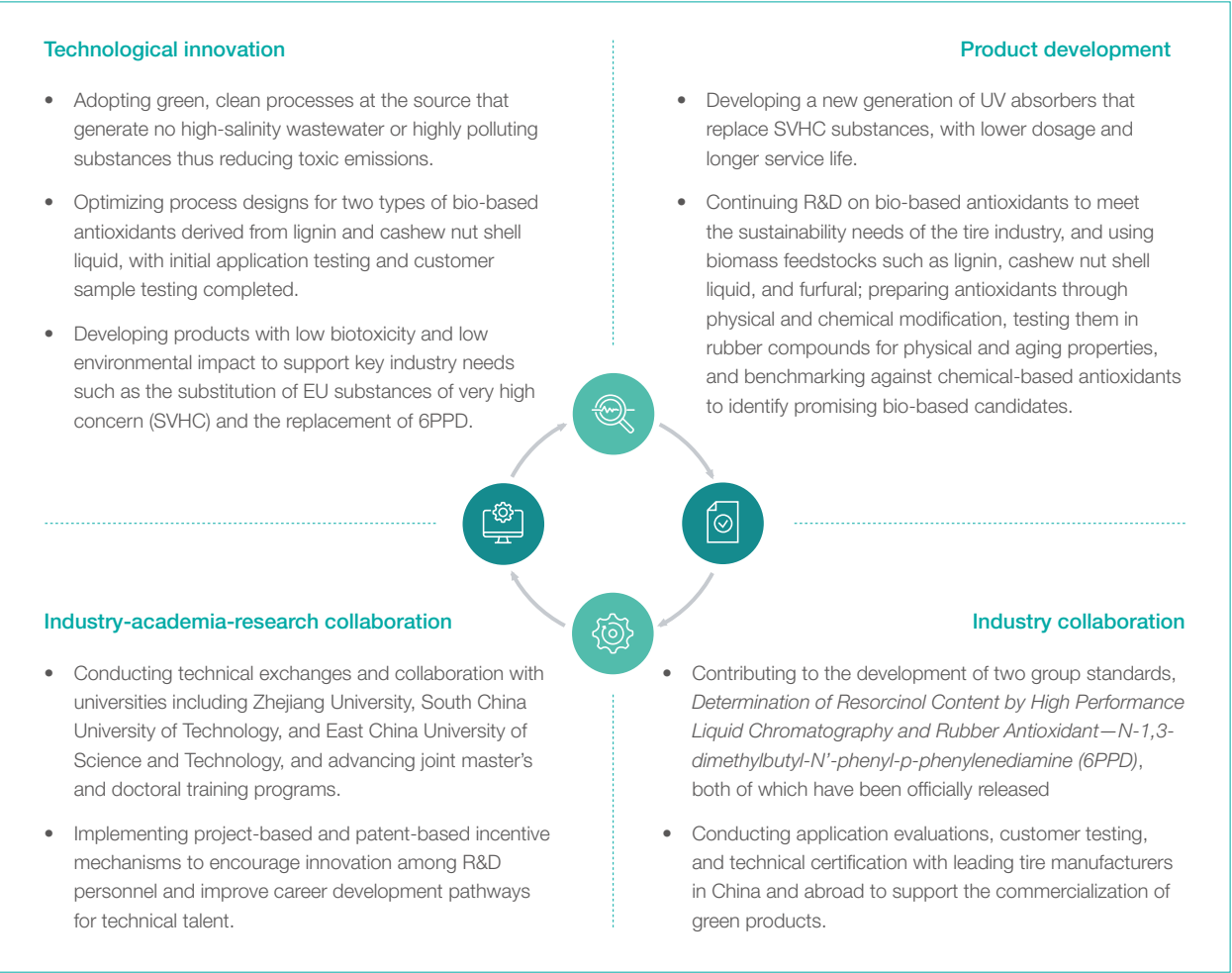
Governance

Sennics continues to refine the technological innovation management system and revised nine innovation-related policies during the reporting period. Guided by market demand, the Company applies an R&D model that integrates industry, academia, research, and application. This integrated R&D structure centers on the Shanghai Technology Center and is supported by technology centers at subsidiaries. It also draws on an open innovation system built through collaborative research with leading universities in China and abroad, with the industrialization of research results as the ultimate objective.



Risk management

Sennics places high priority on risk management throughout the R&D and innovation process. Through technical feasibility validation, environmental, health, and safety assessments, compliance tracking, and joint industry-academia-research programs, the Company mitigates key risks, including technology pathway deviations, R&D schedule overruns, product compliance issues, and external collaboration risks. These measures support steady progress on its green innovation and high-end R&D strategy and continue to improve the quality of technological innovation and our sustainability capabilities.



Honors



Sennics was included on the list of **Demonstration Enterprises to Build World-class Specialized and Sophisticated Enterprises** that Produce New and Unique Products by the SASAC



Sennics was named one of **Shanghai's Top 100 Specialized and Sophisticated Enterprises** by Brand Value in 2025



Sennics Anhui passed the review as an **Anhui Provincial Specialized and Sophisticated SME**



Sennics passed the **National High-Tech Enterprise** review



Sennics was recognized as a **"Shanghai Municipal-Level Enterprise Technology Center"**



Sennics received the **Collaborative Innovation Award** from Aeolus Tyre

Development progress announced for SA6000, a new green antioxidant

In December 2025, Sennics announced the latest development progress for SA6000, a new green antioxidant. Based on an entirely new chemical structure, the product offers strong environmental properties and application performance and is patented in China and the United States. Existing production lines can also be used to scale up production rapidly to meet potential global demand for high-end green antioxidants. SA6000 provides rubber and tire customers with a higher-quality, more environmentally friendly option, while contributing to global green and low-carbon development and biodiversity conservation.



Scan the QR code for more information

Launch of MIAK, a key raw material for high-end antioxidants

In September 2025, Sennics launched methyl isoamyl ketone (MIAK), a key raw material for high-end rubber antioxidants. As a high-performance fine chemical intermediate, MIAK offers strong solvent properties together with low density, a low evaporation rate, and ready biodegradability. Beyond its use in high-end rubber antioxidants, it can be widely applied in environmentally friendly paints and coatings, digital printing inks, electronic chemicals, and process solvents. The product extends and strengthens the Company's rubber additives value chain and fills a gap in the domestic industry's product offering.



Scan the QR code for more information

Sennics Thailand's 60,000th ton of rubber antioxidants comes off the line

In September 2025, the Company's first overseas plant reached a major production milestone: the 60,000th ton of rubber antioxidant product came off the line at Sennics Thailand, marking our continued progress on the "global production, local service" strategy. Through digital systems, operational excellence management, and efficient cross-functional coordination, Sennics has strengthened local operating capabilities and improved product delivery quality and service responsiveness, earning recognition from a wide range of overseas customers.



Scan the QR code for more information

Metrics and targets

2027 Targets	Progress in 2025
Annual R&D investment accounts for no less than 3% of revenue	R&D investment accounted for 5.86% of operating income
	35 intellectual property rights (including patents and copyrights) applied

Driving Digital and Intelligent Operations

Guided by the Sinochem Online initiative, the Smart Factory + Smart HSE program, and the objectives of Sinochem Holdings’ operational excellence management system, Sennics is building operational excellence across the value chain through ongoing digital and intelligent enablement. Based on the value chain operating model, the Company identifies business needs and uses digital systems to eliminate process redundancies, data complexity, and operational bottlenecks. Alongside organizational optimization, these systems integrate business processes to improve efficiency and foster digital and intelligent thinking across the workforce. Together, these efforts are establishing a new digital and intelligent operating model at Sennics and advancing the transformation of the value chain.

Building an integrated business management platform	The Company has defined the respective roles of the integrated business management platform and the ERP system and is advancing system integration and data reconciliation.
Advancing the ERP system upgrade	The ERP upgrade project has gone fully live, breaking down data silos across business segments and enabling online, standardized management of the full process from procurement and production to sales and finance. Real-time data sharing supports management decision-making and helps establish a digital foundation for building core competitiveness.
Deepening the “smart factory + smart HSE” program	The Company has deployed the SRM, WMS, CRM, and AOP systems to enable closed-loop procurement, coordinated production and sales planning, Group-level warehousing control, and end-to-end marketing management.
Building a digital plant operations platform	Sennics has built a digital operations management framework centered on AOP and WMS, integrated with upper-level and on-site plant systems and covering planning, procurement, production, sales, and inventory.
Expanding the application of existing digital systems	The MES UI system has been rolled out, giving Sennics Thailand and Sennics Lianyungang real-time visibility of production status. Sennics Shandong, Sennics Tai’an, and Sennics Anhui apply the system at the plant level for process technology analysis, critical equipment monitoring, and early warning of major hazard sources in key processes. Sennics Shandong, Sennics Tai’an, and Sennics Anhui have completed the migration and upgrade of online equipment monitoring systems, improving intelligent equipment management and data support capabilities.

Sennics’ AOP system named an outstanding digital transformation case in the petrochemical industry for 2021-2025

In fine chemicals, where product characteristics are complex and value chains are highly interconnected, digital transformation often faces three obstacles: fragmented coordination, isolated systems, and delayed response. Sennics addressed these industry-wide challenges through the Integrated Operations Management Platform (AOP system), establishing a new digital pathway based on business-led design and agile iteration. In October 2025, the AOP system was named an outstanding digital transformation case in the petroleum and chemical industry during the 14th Five-Year Plan period (2021-2025), establishing the Company as an industry benchmark.



Scan the QR code for more information

Honors		
	Sennics Tai’an was recognized as a 2025 Shandong Provincial Advanced-Level Smart Factory	
		Sennics Anhui was recognized as a 2025 Anhui Provincial Advanced-Level Smart Factory

Offering Excellent Products and Service

Governance

Sennics upholds a quality-first philosophy and complies with China’s *Product Quality Law*. The Company has formulated and implemented internal policies including the *Quality Management Measures* and the *Technical Calibration Management Rules*. In line with Sinochem Holdings’ operations management system requirements, the Company continues to refine quality management standards at both the corporate and subsidiary levels, consolidating product quality control. In 2025, Sennics piloted the integration of quality management systems at Sennics Shandong and Sennics Anhui, working toward the objectives of a unified framework, consolidated documentation, and optimized processes. The pilot produced an integrated corporate manual that unifies process management, policies and objectives, resource allocation, documentation systems, and performance evaluation, improving the effectiveness of quality governance.

Strategy

Guided by high-quality development, Sennics continues to enhance customer satisfaction and brand influence. Drawing on comprehensive quality certifications, the integration of quality management systems, and digital controls, the Company strengthens process stability and lean quality cost management, driving sustainable development through quality excellence.



Analysis of Risks and Potential Financial Impacts Related to Product Quality

Risk Type	Description	Probability	Affected Links	Potential Financial Impacts -/+	Time Frame	Response Measures
Market risks	Frequent product quality complaints and low on-time delivery rates may undermine order fulfillment and customer trust.	High	Downstream	-Reduced revenue	Short-term Mid-term	Close the loop on quality issue rectification, optimize production-sales coordination, enhance product delivery capabilities, and effectively respond to customer needs.
Technology risks	Instability in production process parameters and limited impurity control capability may affect product quality.	Moderate	Operation Downstream	-Reduced revenue -Increased manufacturing overhead	Short-term Mid-term	Tackle key technical challenges, optimize process parameters, implement green and clean processes, and strengthen in-process quality control.
Policy risks	Tightening regulations on quality, environmental protection, and dual-carbon targets, alongside upgrading industry standards, may expose the Company to administrative penalties and lower ESG ratings if compliance controls fall short.	Moderate	Operation	-Increased non-operating expenses -Decreased operating cash flow	Short-term Mid-term Long-term	Track industry policy developments, improve the quality compliance system, and align product quality management with upgraded industry standards.
Physical risks	Frequent equipment corrosion and blockages caused by weather and other factors may affect product quality.	High	Operation Downstream	-Reduced revenue -Increased manufacturing overhead	Short-term Mid-term	Enhance preventive maintenance, address equipment anti-corrosion challenges, and refine routine equipment quality management.

Analysis of Opportunities and Potential Financial Impacts Related to Product Quality

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts -/+	Time Frame	Response Measures
Market opportunities	Growing customer demand for green, compliant, high-quality products enables the Company to expand into high-end product markets and command a brand premium.	High	Downstream	+Increased revenue +Increased gross profit margin	Mid-term Long-term	Strengthen coordination between quality management and ESG management, develop green and compliant products, deepen cooperation with leading customers, and expand into high-end product markets.
Technology opportunities	The deployment of green clean processes, energy- and water-saving technologies, and digital quality control technologies improves product quality and operating efficiency.	High	Operation	+Decreased production costs +Decreased manufacturing overhead	Mid-term Long-term	Advance green process and energy-saving projects and deepen digital quality control.
Policy opportunities	National policies promoting high-quality development, dual carbon reduction, and compliance upgrades in the chemical industry enable the Company to access policy support and tax incentives through sound quality management and ESG performance.	Moderate	Upstream Operation Downstream	+Decreased income tax expense +Increased non-operating income	Mid-term	Maintain quality and ESG compliance systems, apply for policy support, participate in the development of industry standards, and align business planning with policy direction.

Risk management

Sennics remains customer-centered and upholds quality as a fundamental requirement. The Company has built a product quality and service risk management system covering all processes. Through system certifications, standards-based controls, digital operations, and closed-loop service, Sennics strengthens risk prevention to keep products compliant and reliable and services efficient and transparent, while further improving quality, safety, and customer satisfaction.

Quality management system development

In line with China's strategy for building a quality powerhouse, the Company centers on customer value, and leverages system development to advance total quality management. With priority given to standards leadership, brand enablement, and efficiency improvement, Sennics has built an integrated, full-chain quality control framework that improves quality, reduces costs, and supports continuous refinement, reinforcing the foundation for high-quality development. During the reporting period, the Company recorded no incidents of non-compliance concerning the health and safety impacts of products.



ISO 9001:2015 quality management system

- Sennics conducts production management in strict accordance with ISO 9001:2015 requirements and continues to improve quality consistency.
- Sennics Lianyungang obtained initial ISO 9001:2015 certification for the first time, while Sennics Shandong, Sennics Tai'an, Sennics Anhui, and Sennics Thailand each passed recertification or surveillance audits.



Sinochem Holdings excellence operation system

- Sennics reinforces the quality management foundation to support operational excellence.



IATF 16949:2016 automotive quality management system

- Sennics is certified to IATF 16949:2016 and tracks, monitors, and manages the entire production process to ensure that product quality and service meet the requirements of automotive industry customers.
- Sennics Lianyungang obtained IATF 16949:2016 certification for the first time, while Sennics Shandong, Sennics Tai'an, Sennics Anhui, and Sennics Thailand each passed recertification or surveillance audits.



China National Accreditation Service for Conformity Assessment (CNAS) laboratory accreditation

- The Sennics Comprehensive Testing Center passed a second CNAS reassessment.

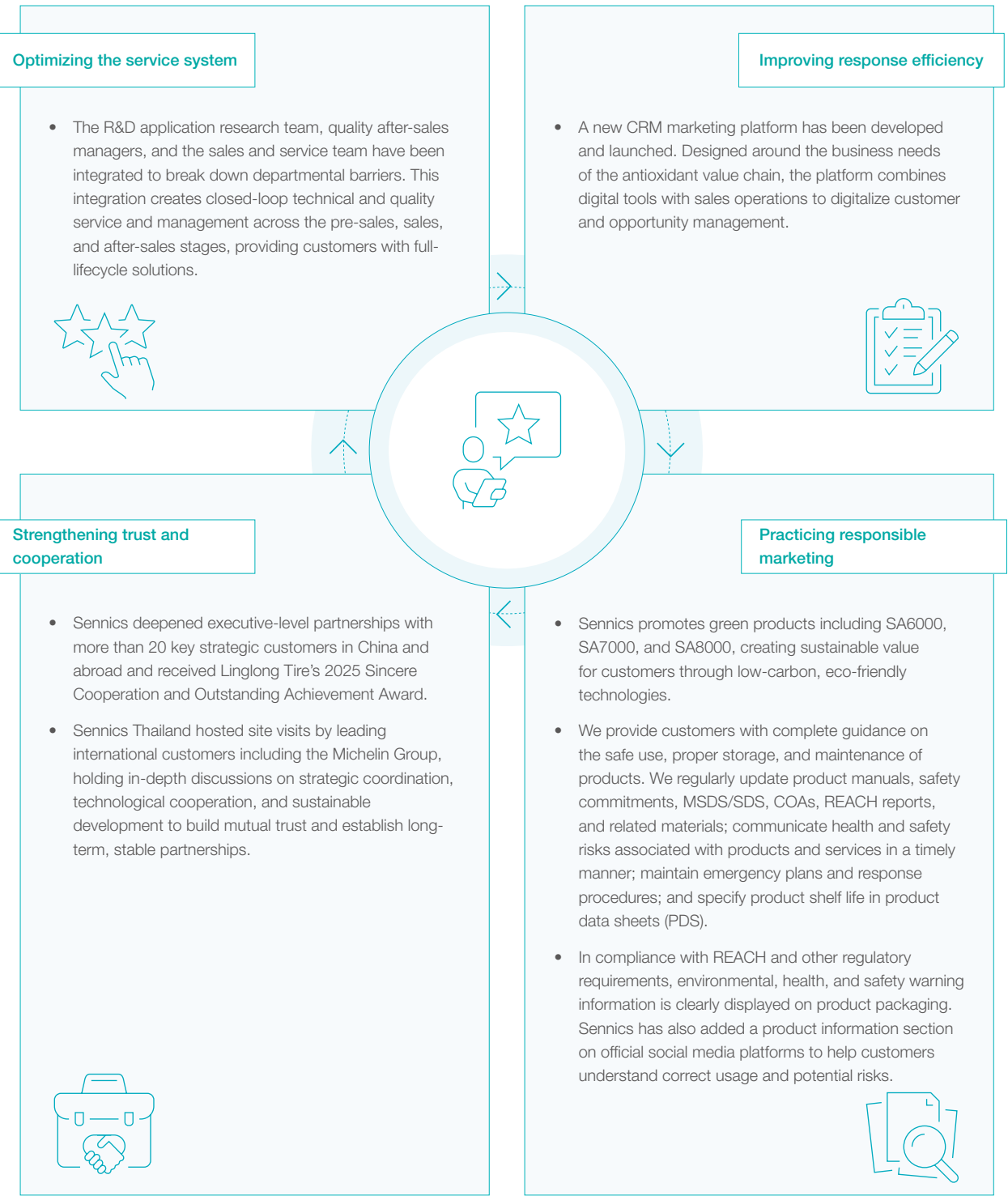


EU REACH Regulation

- Sennics products including 6PPD, IPPD, 4-ADPA, insoluble sulfur (IS), TMQ, TBSI, TBBS, MBT, MBTS, and CBS have received registration numbers from the European Chemicals Agency and comply with the requirements of the EU CLP Regulation for export to European markets.

Customer service quality and efficiency enhancement

Faced with pressure on industry supply and demand and declining prices, the Company prioritizes quality and efficiency, advancing customer service upgrades across multiple dimensions including mutually beneficial partnerships, technical enablement, and product reliability. ESG principles are embedded throughout the customer service process, enhancing both customer value and business sustainability.



Three subsidiaries named 2025 Typical Case for Quality Improvement and Brand Building in the petroleum and chemical industry

Three subsidiaries of Sennics were included in the 2025 *List of Typical Case for Quality Improvement and Brand Building in the Petroleum and Chemical Industry*, published by the China Petroleum and Chemical Industry Federation, in recognition of their achievements in quality management and quality technology innovation. Sennics Anhui's "DIBK commercialization practice" and Sennics Lianyungang's "digital and intelligent production scheduling and delivery process practice" were selected into the quality management capability category, while Sennics Shandong's "quality control improvement through online testing technology" was selected into the quality technology innovation application category. Going forward, the Company will continue to serve global customers with higher-quality products and services.



Scan the QR code for more information

Driving outcomes through the Quality Month campaign

In September 2025, Sennics held a Quality Month campaign. Activities included dedicated quality training, quality improvement initiatives, a 100-day competition, quality risk identification, and the promotion of good quality practices. The campaign fostered a strong culture in which employees care about, value, create, and benefit from quality, reinforcing company-wide quality awareness and embedding quality principles in every aspect of production, operations, and customer service.



Scan the QR code for more information

Honors			
	Sennics was selected as a 2024 Typical Case for Quality Improvement and Brand Building		Sennics Tai'an was recognized as a National Product and Service Quality Integrity Commitment Enterprise
	Sennics Shandong and Sennics Tai'an were recognized as 2025 Four-Star User Satisfaction Enterprises		Sennics Anhui was selected for Anhui Province's first group of pilot enterprises for differentiated conformity assessment of packaging use certification for UN3077 and UN3082 dangerous goods (the only pilot enterprise in Tongling)

Metrics and targets

2027 Targets	Progress in 2025
One-time inspection pass rate and product delivery qualification rate: ≥ 95%	Product delivery qualification rate: 99.87% One-time inspection pass rate of 4-ADPA, 6PPD, IPPD products: 100% One-time inspection pass rate of TMQ products: 100% One-time inspection pass rate of IS products: 99.34%
0 at-fault customer safety incidents	0 at-fault customer safety incidents
Customer satisfaction score: ≥ 90	Customer satisfaction score: 96



Green Growth Sustaining Development With Ecological Resilience

Our Focus

Strong HSE performance is the cornerstone of stable operations and a sustainable competitive edge in the chemical industry. Sennics supports China's dual carbon strategy, advances the FORUS management system, and places high priority on environmental and safety risk control. The Company deepens hazard identification and remediation, pursues coordinated pollution and carbon reduction, and accelerates green and safety upgrades of production facilities, translating its safety-first commitment into concrete action.

Outlook

Going forward, we will uphold our "four zeros" safety commitment, embedding HSE accountability into our governance and core capabilities. Building on a foundation of safety and enabled by green development, we will deepen the R&D and application of green, low-carbon technologies, drive the low-carbon transition across the value chain, implement Responsible Care principles, and strengthen occupational health protection across all operations.

Strengthening Core HSE Competitiveness

Governance

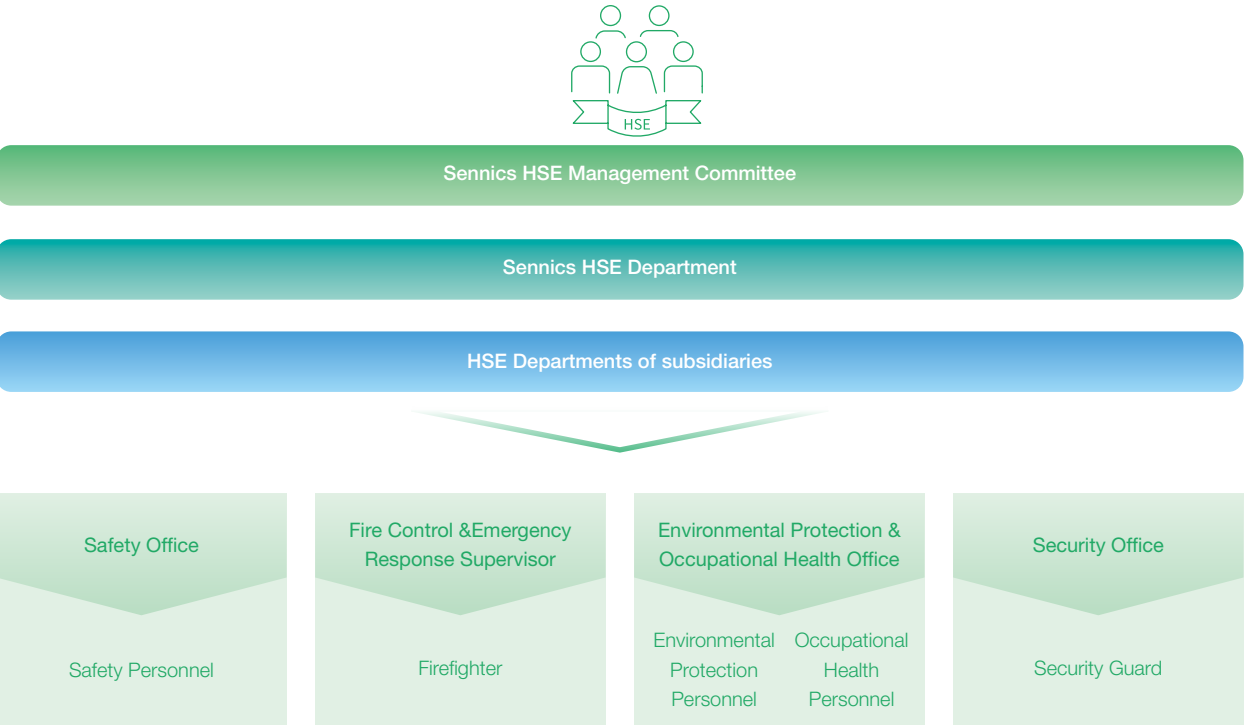
Sennics complies with China's *Work Safety Law*, *Law on the Prevention and Control of Occupational Diseases*, and *Environmental Protection Law*, among other legal requirements. The Board has established an HSE Management Committee, chaired by the CEO and composed of senior and middle management including general managers of subsidiaries. The Committee reviews the Company's HSE policies and objectives, medium- and long-term plans, work programs, and hazard remediation, and oversees the effective operation and continuous improvement of the HSE management system. The Chairman, Chief Operating Officer, General Manager of the HSE Department, and other responsible managers regularly attend specialized training on hazardous chemicals operations organized by the Shanghai Emergency Management Bureau and hold the necessary qualifications, strengthening their ability to oversee HSE management. At the beginning of each year, the Company signs health, safety, and environmental responsibility agreements and cascades them to each subsidiary, reinforcing safety and environmental accountability at every level.

The HSE departments at headquarters and each subsidiary are responsible for implementing, and closing out safety and environmental work in line with the *HSE Culture Manual*, the *Regulations on Health, Safety and Environmental Protection*, and other internal policies. These departments maintain high standards in operating Sinochem Holdings' FORUS system, Sinochem International's 24 HSE management elements, and the dss+ safety management system. HSE management objectives are included in organizational performance assessments and tied directly to management bonuses. All plants in stable operation and eligible for certification have obtained ISO 45001:2018 Occupational Health and Safety Management System certification.

<http://www.sennics.com/sennics/kcxfz/kcxfzcc/aqgl/A143006003003Gone1.html>



Click the above link to learn more about Sennics' Security Management Policy



Strategy

Sennics integrates the HSE goal of "Zero Loss" into its overall development strategy. Guided by the fundamental policy of "Life First, Environment Foremost, Loss Control and Continuous Improvement," the Company follows the FORUS Forerunner Strategy, takes the HSE 24 Elements as key levers and the dss+ 22 Elements as an entry point. Centered on risk management, it reinforces process safety and applies comprehensive risk control measures.

Analysis of Risks and Potential Financial Impacts Related to Occupational Health and Safety

Risk Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Compliance risks	Work safety regulations continue to tighten in China and abroad. Regulations specific to hazardous chemicals and new safety and occupational health standards have taken effect, substantially raising requirements for corporate accountability, automated process controls, and tiered management of occupational health checkups, while penalties and accountability for violations have intensified.	High	Upstream Operation Downstream	-Increased compliance costs	Short-term Mid-term Long-term	Strengthen HSE accountability at every level, organize comprehensive inspections and remediation against new requirements, rigorously implement tiered occupational health controls and health monitoring for all employees, and conduct regular specialized training and emergency drills.
Operational risks	- Internal management risks: Digital transformation requires professionals with combined expertise in chemicals, safety, and digital technologies. In addition, the tension between mandatory investment in environmental facility upgrades and safety technology retrofits and the need for cost control has significantly increased is pronounced, increasing management risks. - Supply chain stability risks: HSE management capabilities vary widely among small and medium-sized partners, making full-process oversight difficult. Should a safety incident occur, it could readily lead to production suspensions and compensation claims, disrupting upstream and downstream supply and demand and creating knock-on effects.	Moderate	Upstream Operation Downstream	-Increased operating costs -Decreased corporate profits -Damage to corporate reputation	Short-term Mid-term	- Recruit and develop multi-disciplinary talent, optimize HSE investment allocation, and coordinate refined management with HSE upgrades and retrofits. - Uphold HSE standards without compromise, refine emergency supply contingency plans, establish full-process inspection and supervision systems across upstream and downstream operations, and conduct regular safety reviews.

Analysis of Opportunities and Potential Financial Impacts Related to Occupational Health and Safety

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Market opportunities	A "zeroccident" track record builds a robust and safe corporate brand image, enhancing value chain resilience and loyalty. Concurrently, energy-saving technological innovations applied in work safety processes boost the Company's green competitiveness, creating greater market opportunities.	High	Upstream Operation Downstream	+Increased intangible assets +Increased corporate profits	Mid-term Long-term	Uphold safety control standards, leverage work safety to drive the R&D and deployment of energy-saving technologies, and build a reputation for reliability and safety.
Technology opportunities	The digital transformation of HSE management, including AI-based risk early warning, can improve the efficiency of risk prevention and shift management from reactive response to proactive prevention.	High	Operation Downstream	+Decreased operating costs	Mid-term Long-term	Expand the use of intelligent inspection robots, drones, firefighting emergency response robots, digital twin plants, carbon management systems, and other digital tools to advance end-to-end digital transformation of HSE management.

Risk management

Sennics has integrated HSE risk management into the enterprise-wide risk management (ERM) system. Supported by a cross-departmental collaboration mechanism based on systematic identification, dynamic control, and company-wide participation, together with quarterly HSE meetings, the Company draws on the risk identification and hazard remediation functions of the dual prevention mechanism information platform. We also communicate regularly with key stakeholders, including suppliers, contractors, and community residents, on HSE management and collect their requirements, improving overall HSE performance.



Robust management systems

- The Company continues the FORUS star-rating enterprise and benchmark team programs, optimizes grid-based safety management, and has added or revised 15 HSE management policies, reinforcing safety risk controls through standardized management.
- Monthly dss+ safety management improvement coaching is delivered as planned, covering safety leadership, operational excellence, team development, and job safety analysis (JSA), solidifying the foundation of safety management.
- Third-party safety management for suppliers and contractors is incorporated into the *Regulations on Health, Safety and Environmental Protection*. These parties must provide the necessary health and safety permits and appropriate occupational health and safety management system certifications. HSE management agreements are signed to define each party's responsibilities, and their safety is safeguarded through daily on-site inspections, monthly safety assessments, and annual overall evaluations.

Capability building

- Emergency response plans were revised and drills organized at all levels in 2025. Sennics Tai'an conducted more than 80 drills covering on-site response procedures, specialized plans, and comprehensive plans. The Company also strengthened fire and emergency response facilities and emergency preparedness during high-risk periods, and Sennics Anhui built a smart firefighting system that uses Internet of Things (IoT) technology to enable automatic fire alarms and coordinated activation of firefighting equipment. To enhance emergency response capabilities across the board, Sennics Shandong held a pressurized leak-sealing skills competition, ran nighttime "double-blind" drills, and produced emergency response videos. More than 570 drills of various types and 15 security drills were held in total.
- Hazard identification work plans are implemented based on the dual prevention mechanism information platform, enabling closed-loop management of safety hazards, from online entry and remediation to tracking and closure. More than 5,700 hazards were remediated through the platform in 2025, with a 100% closure rate.

Safety risks prevention

- The Company implements the "dual responsibility for one position" principle for risk control accountability and has established a full-chain risk assessment framework, using tools such as HAZOP, JHA, and SIL assessments to identify all types of safety risks.
- Risk are graded and managed accordingly. Digital technologies are used to monitor hazard sources dynamically, along with health and safety risk identification and assessment. A health and safety risk register is established, with compliance reviews conducted as required.
- HAZOP analysis supports early risk assessment for new products and processes, with targeted reviews for production changes and strict permit controls for special activities.
- The Company tightens risk control for high-hazard work, enforces operational standards, maintains full-process oversight, ensures site manager accountability, and enhances workers' practical skills and risk response capabilities.

Safety management measures

- The Company improves inherent safety, ensures sufficient safety investments, and assesses and replaces aging equipment as required, having upgraded production facilities such as the aniline water intermediate tank in Sennics Anhui's RT workshop.
- Process safety is strengthened by engaging specialized institutions to conduct multiple process risk analyses and safety validations, with hands-on coaching on risk assessment tools provided in parallel.
- Behavioral safety is standardized through the Safety Training & Observation Program (STOP) and Operational Discipline (OD) initiatives, which require frontline operators to follow standard operating procedures.
- Special operations are managed rigorously. Work permit and certification requirements are enforced, frequent high-frequency hazardous operations are controlled end to end, and the certification rate for special operations personnel stands at 100%.

Occupational health protection

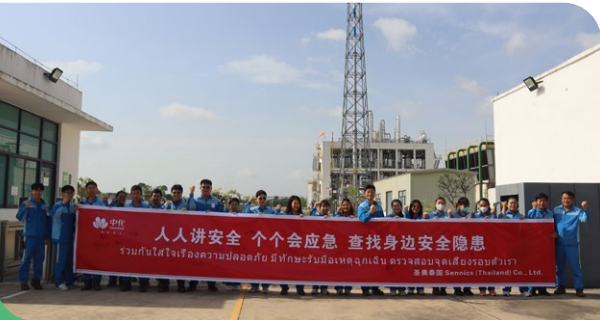
- Automation upgrades are advancing. Sennics Tai'an introduced fully automatic stretch wrapping machines, reducing operators' average daily workload by more than 70%, with employee satisfaction above 95%. Sennics Shandong completed 10 initiatives addressing frequently performed tasks, including installing filters on magnetic pumps, deploying online analyzers in quality inspection to reduce manual sampling, addressing frequent maintenance of packaging line filling machines, and replacing frequent special operations with lifts. These measures reduced the intensity of repetitive manual work.
- Intelligent upgrades are also under way. Sennics Shandong deployed rail-mounted intelligent inspection robots that take over on-site inspection, remote equipment monitoring, real-time alerts for abnormal operating conditions, and intelligent analysis of inspection data. Sennics Anhui and Sennics Lianyungang each built an automated storage and retrieval system in which products are received by forklift, automatically palletized, and routed to designated storage locations once they pass inspection. The system picks items for outbound shipment on instruction, reducing the safety risks associated with manual work in high-hazard areas.
- A multi-level noise control system is in place supported by engineering controls, management measures, and personal protection. The Company has established noise prevention, maintenance, and hazard identification plans, tests noise levels at affected work positions monthly, and engages third parties to conduct quarterly noise inspections. Noise intensity was reduced at two work positions in 2025. In addition, more than 60 high-noise units replaced with lower-noise alternatives, including canned motor pumps, air suspension blowers, and screw vacuum pumps.
- The Company conducts regular monitoring and risk identification of occupational hazard factors, completes annual occupational health checkups as required, and provides health services for exposed employees with individual health records. Noise-exposed staff are given high-performance earplugs. Routine inspections cover noise protection effectiveness and PPE compliance by employees and contractors, enabling timely detection and correction of noise hazards.

Hazardous chemicals management

- The Company implements the *Hazardous Chemicals Management and Control Procedures, and Provisions on the Administration of Registration of Hazardous Chemicals*. We store, handle, and transport hazardous chemicals according to their properties, and ensure MSDS, safety labels, and product instructions are properly provided or posted.
- The Company prioritizes the use of less hazardous alternatives. Sennics Shandong obtained ISCC PLUS certification, and Sennics Tai'an replaced cracking-based hydrogen production with externally supplied hydrogen, cutting hazardous chemical use. Process optimization at the RT Base production unit cut hydrogenation catalyst consumption per ton by an average of 20% to 40%. These improvements reduce the consumption of raw and auxiliary materials, and hazardous chemicals, advancing the transition to green production.
- Hazardous waste generated in operations is identified in accordance with the *Directory of National Hazardous Wastes*, supported by a full-lifecycle information management system that standardizes classification, storage, transfer, and disposal. In addition to distillation residue incineration and spent metal catalyst recycling, all other hazardous wastes are entrusted to licensed third-party contractors for safe disposal.

Safety culture

- The Company continues to run the Safety Lecture series and Work Safety Month training programs, covering laws and regulations, management systems, special operations, emergency response, environmental protection, safety instrumentation, special equipment, and emergency management. In 2025, 208 safety education and training sessions were held, with nearly 24,000 employee participants.
- Mental health, occupational health, and other training formats are held to build employee awareness of occupational hazards and protective measures. Employees in noise-exposed positions receive dedicated training on noise hazards and control measures.
- At overseas operations, we promote a strong safety culture through dedicated training materials and emergency drill observation programs, covering local regulations and risk prevention measures.



Sennics Thailand Work Safety Month launch ceremony



Sennics Shandong Work Safety Public Open Day



Sennics Tai'an occupational health management specialist is delivering occupational health training to employees



Sennics Anhui contractor safety supervisor training

Metrics and targets

2027 Targets
0 fatal accidents
0 serious injuries or above
0 environmental incidents of general impact or above
0 new occupational diseases
0 major HSE-related negative public opinion

Progress in 2025
100% work safety accountability coverage (including contractors and interns)
0 work safety accidents with serious injuries or above
0 environmental incidents of general impact or above
0 new occupational diseases
0 major HSE-related negative public opinion
100% rectification of positions with with excessive occupational hazard exposure
100% follow-up re-examination for exposed personnel
100% reassignment for personnel with occupational contraindications
0 administrative penalties or negative public opinion (excluding major ones)
In Sinochem Holdings' 2025 FORUS star-rating assessment, Sennics Tai'an was rated 7-star and Sennics Anhui 6-star . Sennics Shandong was rated 6-star in April 2026
Sennics Shandong's metering pump noise control project and Sennics Tai'an's automated packaging project (replacing manual packaging) were recognized by Sinochem Holdings as good practices in occupational disease hazard control during the 14th Five-Year Plan period

Addressing Climate Change

Governance

Sennics has established the Sustainability Committee under the Board, which includes the Sustainability Task Force and Low-Carbon Development Working Group. The Committee tracks emerging climate change trends and develops and reviews related policies, leads and oversees decarbonization progress, factors climate-related risks and opportunities into strategy and major business decisions, and submits related budgets for centralized approval and implementation.



Climate performance is also tied to management bonuses through a 1.7% variable incentive, ensuring that the low-carbon strategy and emissions reduction measures are implemented at every level.

Strategy

The Company has aligned with *IFRS S2 Climate-related Disclosures* to identify short-, medium-, and long-term climate-related risks and opportunities, and their potential financial impacts, with a focus on the key climate factors affecting the chemical industry, so as to enhance its adaptability to climate uncertainties.

Analysis of Risks and Potential Financial Impacts Related to Climate

Risk Type		Description	Probability	Affected Links	Potential Financial Impacts -/+	Time Frame	Response Measures
Physical risks	Acute risks	Extreme climate events impair equipment in operational sites: The higher frequency and severity of extreme climate events, such as typhoons and tsunamis, can easily cause damage to industrial infrastructure and equipment.	Moderate	Upstream Operation Downstream	-Increased maintenance cost (e.g., increased expense of equipment repair and maintenance) -Increased insurance premiums (and limited insurance availability in "high-risk" locations)	Long-term	- Refine emergency response plans and conduct drills to strengthen response capabilities. - Carry out regular disaster prevention inspections of production equipment to maintain stable production in extreme weather. - Establish backup energy supply plans to mitigate climate-driven fluctuations in energy supply.
		Extreme climate events hinder international trade: Extreme weather disrupts transportation and downstream deliveries, increasing the risk of contract defaults.		Upstream Operation Downstream	-Reduced revenue (e.g., Reduced revenue from shrinking fulfillment of business deals due to transportation difficulties, supply chain interruptions and other factors) -Increased cost of contract breach (e.g., inability to meet contractual deadlines may lead to higher default costs.)	Mid-term Long-term	
	Chronic risks	Extreme weather conditions affect employees' health: Extreme heat or cold can affect employees' physical and mental well-being, compromising operational safety, personnel health, and work efficiency.	Low	Operation	-Increased labor cost (e.g., safety protection, mental health and hygiene management) -Reduced revenue (e.g., productivity loss due to employee health impacts)	Mid-term Long-term	- Improve site infrastructure, adjust work schedules during extreme weather, and monitor employee health condition on an ongoing basis, provide timely care and support to maintain safe and efficient production. - Prioritize water resource management at coastal and Yellow River basin plants, and strictly comply with environmental laws and regulations.
		Climate changes such as rising mean temperatures and sea levels: Rising mean temperatures affect the temperature control during raw material and product storage and transport. Rising sea levels impact the investment expense of selecting operational sites and supporting the existing ones to tackle extreme climate events.		Upstream Operation	-Increased operating costs (e.g., increased cost of product cold-chain transportation)	Mid-term Long-term	
	Policy and legal risks	China's carbon peaking and carbon neutrality goals: In line with the strategic goals of China to achieve carbon peaking by 2030 and carbon neutrality by 2060, policy measures have been rolled out at both national and subnational levels, with increasingly stringent requirements.	High	Upstream Operation Downstream	-Increased operating costs (e.g., higher carbon costs, fines for non-compliance, and additional compliance expenses)	Mid-term Long-term	- Track policy and regulatory developments and plan green transition measures in advance. - Upgrade the "Embracing the Dual Carbon Goals for a Bluer Sky" strategy, with decarbonization programs planned and rolled out systematically.
		Carbon emission regulations for the chemical industry: The Carbon Border Adjustment Mechanism Regulation (CBAM) was launched in October 2023, will take effect in 2026, and is set to be fully operational in 2034. The first wave of covered sectors include steel, aluminium, cement, fertilizers, and chemicals (hydrogen).		Upstream Operation Downstream	-Increased operating costs (e.g., higher carbon emissions and carbon trading costs) -Fixed-asset impairment (e.g., write-offs or early retirement of existing assets due to technological upgrading)	Mid-term Long-term	
		Equipment and process efficiency mandates: The MIIT's Measures for the Administration of Industrial Energy Conservation sets energy-saving requirements for industrial enterprises, while the NDRC periodically updates the Benchmark and Standard Energy Efficiency Levels for Key Industrial Sectors.		Upstream Operation	-Higher capital expenditure (e.g., retrofitting energy-intensive processes) -Fixed-asset impairment (e.g., write-off or earlier retirement of the existing assets caused by technological upgrading) -Rising supply chain costs (e.g., purchasing energy-efficient equipment)	Short-term Mid-term	
Transition risks	Policy and legal risks	GHG emission pricing and carbon trading: In 2021, China launched the national carbon emission trading market. Greenhouse gas emissions pricing may rise as carbon reduction requirements intensify.		Upstream Operation Downstream	-Higher operating costs (e.g., rising carbon emission pricing and emission-related expenses)	Mid-term Long-term	

Risk Type		Description	Probability	Affected Links	Potential Financial Impacts -/+	Time Frame	Response Measures
Transition risks	Tech-nology risks	R&D of green and low-carbon processes: To meet national energy intensity and total consumption control targets, the Company must step up R&D in green and low-carbon processes to improve energy efficiency.	High	Upstream Operation	-Rising R&D costs (new technologies, materials and processes) -Higher operating costs (e.g., new equipment and new process deployment)	Short-term Mid-term	- Raise green process technology standards and cut GHG emissions through technological innovation and equipment upgrades. - Improve energy efficiency by purchasing green electricity directly, acquiring green electricity certificates, and introducing photovoltaic, wind, and other renewable sources.
		R&D of clean energy alternatives technology: To meet national energy intensity and total consumption control targets, the Company must step up R&D in clean energy alternatives to optimize its energy mix.		Upstream Operation	-Rising R&D cost (e.g., new technologies, materials and processes cause) -Higher operating costs (e.g., clean energy procurement)	Mid-term Long-term	
		R&D of carbon-negative technology: The development and application of CCUS (Carbon Capture, Utilization and Storage) technologies is likely to become a trend and demand in the industry.		Upstream Operation	-Rising R&D and application cost (e.g., R&D or procurement of CCUS technologies) -Higher operating costs (e.g., new equipment and new processes deployment)	Mid-term Long-term	
	Market risks	Lower demand for additives: Low-carbon lifestyles reduce private car use and tire sales.	High	Upstream Downstream	-Reduced revenue (e.g., lower business volume due to shifting product demand)	Mid-term Long-term	- Develop high-end chemicals and differentiated services in response to customer needs. - Optimize the product mix and accelerate the green transition of conventional products. - Conduct applied research on biomass feedstocks and work with suppliers to build a low-carbon supply chain, jointly addressing risks from carbon taxes and rising raw material prices.
		Stricter regional market access – Rising environmental standards in Europe are raising market entry barriers, leading to operational restrictions.		Operation	-Reduced revenue (e.g., operational restrictions due to failure to meet environmental requirements)	Short-term Mid-term	
		Changing consumer preferences: Customers may favor additives with zero or fewer GHG emissions.		Operation Downstream	-Increased operating costs (e.g., purchasing CCER (Chinese Certified Emission Reduction) quota to achieve carbon neutrality) -Reduced revenue (e.g., decreased product demand)	Mid-term Long-term	
Reputa-tion risks	Tech-nology risks	Increased cost of raw materials and energy: The rising costs of carbon emission taxes on raw materials and energy production lead to higher prices of raw materials and energy.		Upstream Operation	-Increased operating costs (e.g., energy procurement)	Mid-term	Present sustainability performance through the Company's official website, the CDP questionnaire, public engagement activities, and other channels.
		Carbon information disclosure: Regulatory authorities, investors, customers and other stakeholders have proposed higher requirements of information disclosure and management in addressing climate change.		Upstream Operation Downstream	-Increased operating costs (e.g., failure to meet compliance requirements in terms of information disclosure causes compliance costs) -Decreased capital available (e.g., information nontransparency makes it hard to attract investors)	Mid-term Long-term	
	Reputa-tion risks	Reputational damage – Inadequate carbon and energy management could harm the climate and make it harder to attract and retain customers, employees, partners, and investors.	Moderate	Upstream Operation Downstream	-Reduced revenue (e.g., decrease in business volume caused by lower service demand) -Increased labor cost (e.g., increased cost of employee attraction and retention) -Decreased available capital (e.g., investors exit or shrink investment.) -Higher financing barriers (Enterprises or projects with stronger green development credentials may find it easier to secure financing)	Mid-term Long-term	

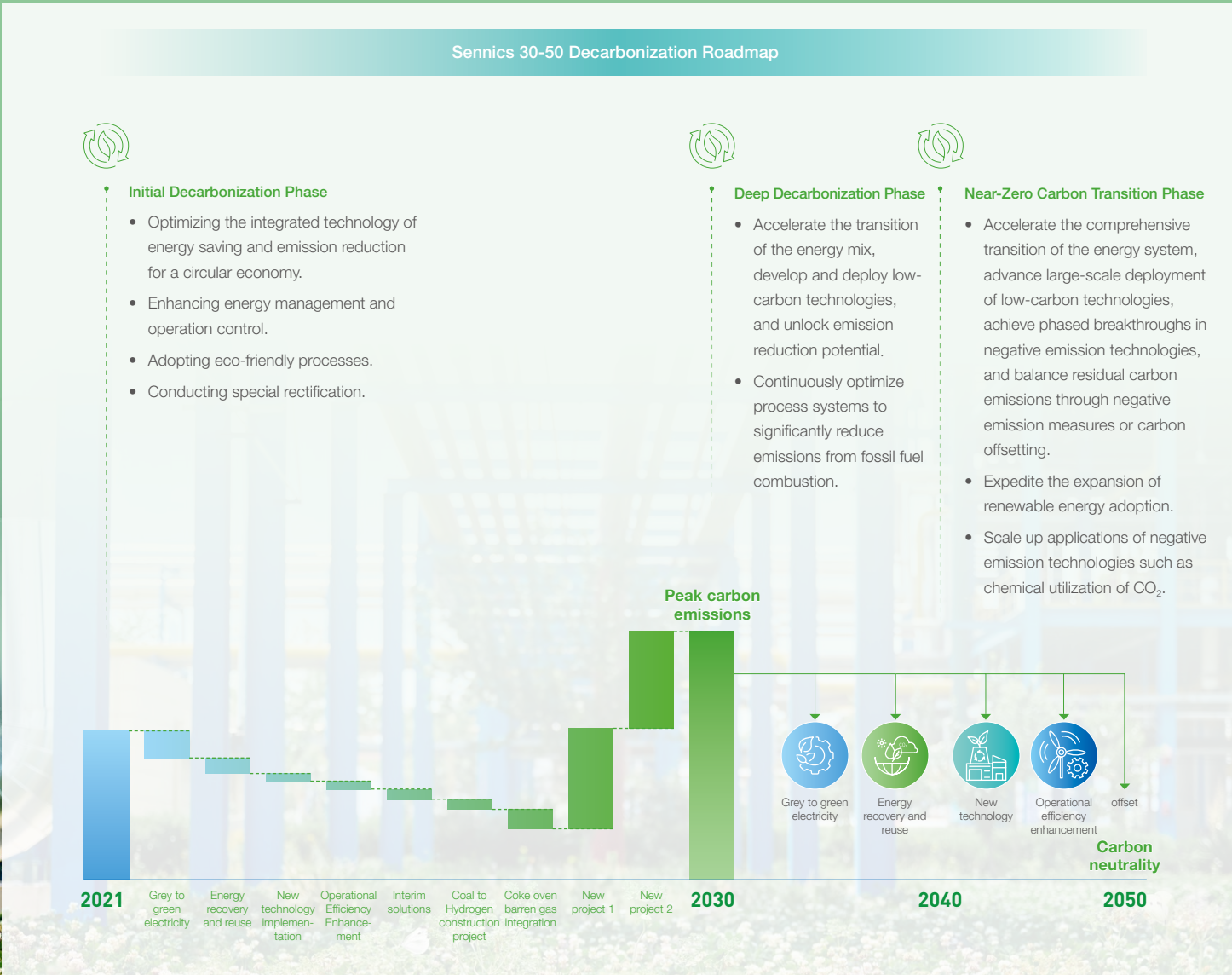
Analysis of Opportunities and Potential Financial Impacts Related to Climate

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Resource efficiency	Energy efficiency management of equipment: Step up efforts to promote energy-saving retrofits of equipment and R&D of green and low-carbon processes to improve equipment efficiency, reduce resource consumption and effectively control emission.	High	Operation	+Decreased operating costs (e.g., improve energy efficiency to reduce energy consumption per unit of product and energy usage cost.)	Short-term Mid-term	Advance energy-saving retrofits and green process innovation, and leverage Green Factory designation to reduce energy consumption and pollutant emissions per unit of output value.
Energy source	Use of lower-emission energy: Use clean fuels like natural gas as alternative fuels to enable the Company to produce additives with low carbon emission.	High	Upstream Operation Downstream	+Decreased operating costs (e.g., use alternative fuels with lower carbon abatement costs) +Increased revenue (Use low-carbon emission fuels to improve product demand.) +Increased capital availability (e.g., more investors favor lower-emissions producers)	Mid-term Long-term	Accelerate the energy transition, expand green electricity use, and explore efficient, low-cost pathways for introducing hydrogen to make energy use more diverse and sustainable.
Products and services	Green and low-carbon products: Enhance R&D of products with green processes to enhance competitiveness, improve customer retention rate and attract potential customers.	High	Upstream Operation Downstream	+Increased revenue (e.g., produce green and low-carbon products to boost revenue.)	Mid-term Long-term	• Increase R&D investment in green formulations to build a portfolio of low-carbon chemical products. • Leverage the in-house Carbon Housekeeper digital carbon management platform to help upstream and downstream partners conduct carbon inventories and product carbon footprint accounting. • Conduct research, build technology reserves, and plan projects in carbon capture, utilization, and storage (CCUS), and participate in carbon market trading.
	Products and services of the carbon management technology platform: Make efforts in R&D and promotion of products and services of the carbon management technology platform.		Upstream Operation Downstream	+Increased revenue (e.g., promote the products and services of the carbon management technology platform to boost revenue.)	Mid-term Long-term	
	Investment in CCUS technologies: Invest in CCUS (Carbon Capture, Utilization and Storage) technologies and join carbon trading in the future.		Operation	+Decreased operating costs (e.g., reduce expenditure on procurement of carbon emission quota.) +Manage carbon assets of the Company (e.g., participate in carbon trading) +Increased revenue +Increased capital availability	Mid-term Long-term	
Market	Demand for green and low-carbon additives: As the automotive supply chain faces tighter environmental standards, the need for greener additives continues to grow.	High	Upstream Operation Downstream	+Increased revenue +Increased investment return	Mid-term Long-term	• Expand production capacity for environmentally friendly additives to meet green qualification standards in the automotive supply chain. • Design specialized high-performance additives for new energy vehicles and expand the product portfolio for this segment.
	Demand for new additives: As NEVs differ from conventional vehicles, their growing market share is driving demand for additives tailored to NEV applications.		Upstream Operation Downstream	+Increased revenue +Increased investment return	Mid-term Long-term	
Adaptation	Investment in clean energy projects and resource alternatives/diversity: Focusing on developing and investing in the business of hydrogen energy industry chain to respond to the trend of energy transformation.	High	Upstream Operation	+Increased revenue (e.g., reduced exposure to clean energy price volatility and cyclical fluctuations)	Mid-term Long-term	• Participate in investment and business development across the hydrogen energy value chain, and advance diversification and substitution of production feedstocks and energy sources. • Deepen low-carbon collaboration with upstream and downstream companies and jointly develop value chain emissions reduction plans.
	Supply chain resilience and adaptability: Collaborative low-carbon transition across the value chain, with more suppliers offering green raw materials, helps reduce supply chain emissions and enhance climate adaptability.		Upstream	+Increased revenue (e.g., a stable and robust supply chain effectively guarantees business stability.) +Decreased operating costs (e.g., greater supply chain resilience and reliability reduce costs.)	Mid-term Long-term	

Climate resilience and adaptability

In response to the global low-carbon transition, Sennics has set 73 targets and plans, striving to work with partners across the upstream and downstream value chain on decarbonization. We have developed a comprehensive carbon accounting system to conduct carbon emissions and product carbon footprint verification in accordance with ISO 14064 and ISO 14067 standards, achieving precise management of our “carbon peaking and carbon neutrality” efforts. Meanwhile, to drive green and low-carbon transition across the entire industrial chain, we also seek to optimize product structure, prioritize eco-friendly processes, strengthen technological upgrades, and enhance energy synergy across industrial parks, in light of the characteristics of chemical industry operations.

In 2025, we upgraded our “Embracing ‘Dual Carbon’ for a Bluer Sky” low-carbon strategy, committing to complete our carbon reduction plan a decade ahead of schedule. We set out a three-phase decarbonization roadmap: preliminary reductions (2021–2030), deep decarbonization (2030–2040), and near-zero carbon transition (2040–2050). We also announced an accelerated timeline, striving to peak emissions by 2030 and achieve carbon neutrality by 2050.



Risk management

We have established robust climate risk monitoring and management mechanisms, and have integrated climate risks into enterprise risk management (ERM). To ensure our proactivity and foresight in addressing climate change, we identify, assess, and update relevant risk inventories, and regularly report risk assessment results at monthly sustainability meetings, whereby our management team and the Industry Development Department assess future corporate strategies and opportunities. In addition, we regularly engage external professional institutions to review our management and disclosure practices, assessing the robustness and effectiveness of our risk and opportunity identification and management.

Adapting to climate change

We strengthen climate adaptation by tracking the frequency of extreme weather events across our operational sites, systematically identifying potential climate risks, and enhancing early warning systems. We have also established and maintained robust emergency response mechanisms, including contingency plans for extreme weather, regular allocation of disaster prevention equipment, and routine emergency drills.

Mitigating climate change

To advance our goals of carbon peaking by 2030, carbon neutrality by 2050, and compliance with energy intensity and total consumption controls, we are optimizing our product mix, developing green processes, promoting energy-saving retrofits and low-energy equipment, enhancing energy coordination across industrial parks, pursuing operational excellence and green supply chain management, and strengthening energy assessments for new projects. We also actively procure green electricity, purchase carbon offsets, and promote on-site photovoltaic projects, making sustained contributions to greenhouse gas emission reduction.

We continuously improve our energy and carbon emission management systems, and maintain data consistency between our “Carbon Housekeeper” and the basic MES system, which achieves one-stop intelligent management of our carbon assets. Leveraging accurate carbon data, we uncover emission reduction opportunities, and work with upstream and downstream partners on joint decarbonization, thereby boosting the green competitiveness of the entire value chain. We are dedicated to raw material substitution, striving to gradually increase the application of biomass raw materials in product manufacturing. In addition, technological innovation, equipment upgrades, and other means are adopted to comprehensively reduce energy consumption and pollutant emissions per unit of output value. We also scale up the use of green electricity and optimize our energy mix on an ongoing basis. Meanwhile, we organize training and activities related to energy conservation, low-carbon development, and climate action. The goal is to guide all employees to embrace green transition and low-carbon practices, hence jointly driving the Company toward green and sustainable development.

Energy conservation and carbon reduction projects of Sennics in 2025

Sennics has established dedicated low-carbon and energy-saving management teams at all plants. By improving technologies and processes, we reduce carbon emissions from the source and throughout the production process, thereby propelling green and low-carbon transition. In 2025, we made improvements to the green process, equipment, energy efficiency, and operational management, with a total of 22 energy conservation and carbon reduction projects implemented and approximately 15,000 tons of carbon reduced throughout the year. Additionally, we procured over 20 GWh of green electricity, cutting carbon emissions by over 10,000 tons.

Unit	Project Name	Project Description	CO ₂ Emission Reduction Potential (tCO ₂ e/year)
Sennics Tai'an	Steam piping network optimization and cascade utilization project	Optimizing steam piping based on the analysis of the “energy bridge” system to minimize heat loss; and conducting cascade utilization retrofits to improve steam efficiency	3,296
Sennics Tai'an	Comprehensive thermal energy utilization project	Recovering and reusing the reaction and distillation heat, and improving process operations for better energy efficiency, thereby lowering the comprehensive energy consumption of products	2,113
Sennics Tai'an	Nitrobenzene facility waste heat utilization project	Recovering steam waste heat through process design, reducing steam consumption, and achieving cascaded thermal energy recycling to cut carbon emissions	1,091

Metrics and targets

Based on our operational reality, future planning and decarbonization roadmap, we set climate change-related indicators, and regularly disclose and review greenhouse gas emission data and target progress to continuously drive the attainment of emission reduction targets.

2027 Targets

Energy consumption intensity (like-for-like) down **15%** vs. 2020

CO₂ emission intensity (like-for-like) down **8%** vs. 2020

Headquarters and production plants certified to ISO 14064-1, and core products certified to ISO 14067

Progress in 2025

Energy consumption intensity (like-for-like) down **15.4%** vs. 2020

CO₂ emission intensity (like-for-like) down **8.38%** vs. 2020

100% of headquarters and production plants certified to ISO 14064-1

100% of core products certified to ISO 14067

Item	Unit	2023	2024	2025
Scope 1 GHG Emissions	tCO ₂ e	120,377.04	117,575.28	87,618.97
Scope 2 GHG Emissions (Location-based)	tCO ₂ e	235,777.80	255,155.41	228,123.61
Scope 2 GHG Emissions (Market-based)	tCO ₂ e	235,777.80	245,392.40	223,485.95
Scope 3 GHG Emissions	tCO ₂ e	1,076,284.66	1,408,561.73	1,298,718.32
Transportation	tCO ₂ e	34,141.96	44,324.15	57,571.97
Products used by the organization	tCO ₂ e	592,761.46	878,988.40	741,794.56
Associated with the use of products from the organization	tCO ₂ e	449,381.24	485,249.18	499,351.79
Scope 3 Upstream GHG Emissions	tCO ₂ e	599,938.59	896,406.12	759,270.09
Scope 3 Downstream GHG Emissions	tCO ₂ e	476,346.07	512,155.61	539,448.23

Data notes: Scope 1, 2, and 3 GHG emissions are calculated in accordance with ISO 14064-1:2018 and have been third-party verified. Sennics Lianyungang is excluded from the reporting as it remained in the commissioning phase with unstable operational data. The emission factor method is applied, prioritizing actual data collected from Sennics operations, employees, and suppliers, with supplementary data drawn from internationally recognized databases and government-published emission factors.

Unit	Project Name	Project Description	CO ₂ Emission Reduction Potential (tCO ₂ e/year)
Sennics Lianyungang	Circulating water system energy conservation and emission reduction project	Comprehensively optimizing the circulating water system to reduce total water withdrawal and electricity consumption under equivalent load	2,846
Sennics Anhui	Steam reduction project	Identifying and recovering the waste heat of high-temperature materials through energy balance analysis to generate low-pressure steam, thereby reducing utility steam consumption	2,065
Sennics Shandong	Waste heat recovery and utilization project	Exploring waste heat recovery and recycling from reaction processes, and optimizing process operations for better energy efficiency to lower the specific steam consumption	1,100

Advancing Green and Clean Operations

Governance

In strict accordance with national and regional laws and regulations on ecological protection, we have established a management structure, with the Board in charge of scientific decision-making, the HSE Management Committee responsible for overall review, and the HSE Departments and the Operation Centers of headquarters and subsidiaries responsible for execution. In addition, we improve and implement relevant policies including *HSE Management Regulations*, *Regulations on Environmental Protection*, *Low-Carbon Management Measures*, *Wastewater Pollution Prevention and Control Standard*, *Noise Pollution Prevention and Control Work Standard*, *Management and Control Standard for Environmental Pollution Treatment Facilities*, *Solid Waste Management and Control Standard*, *Environmental Incident Management Standard* and other systems. We also formulate environmental management performance evaluation targets and metrics, which are directly linked to the performance bonuses of management personnel. Through these measures, we systematically identify, effectively control, and eliminate environmental hazards in production and operations at the source. In 2025, Sennics organized a total of 30 environmental training sessions on topics of green and low-carbon production management, environmental protection and safety, and biodiversity management, improving the expertise of managers and operators. All Chinese plants in stable operation and eligible for certification have obtained ISO 14001:2015 Environmental Management System certification and ISO 50001 Energy Management System certification.

Strategy

Sennics actively advances the “Embracing the ‘Dual Carbon Goals’ for a Bluer Sky” strategy. At our operational sites, we implement relevant legal, regulatory, and standard requirements for the prevention and control of water, air, and solid waste pollution. By optimizing product structure, prioritizing eco-friendly processes, strengthening technological upgrades, and advancing digital and intelligent transition, we tap into new eco-friendly materials such as bio-based and biodegradable materials, thereby scaling up the application of green technologies.

Analysis of Risks and Potential Financial Impacts Related to Clean Operations

Risk Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Compliance risks	Environmental regulations are tightening globally, with stricter requirements for hazardous waste treatment, emissions, and clean production. As some of our sites are located in the Yellow River Basin ecological protection zone, we face growing pressure on environmental investment and compliance management.	Moderate	Upstream Operation Downstream	-Increased compliance costs	Short-term Mid-term Long-term	Keep abreast of environmental regulatory developments, routinely monitor emission indicators, upgrade treatment facilities and identify and address potential compliance risks proactively.
Market risks	Rising global trade frictions are weighing on downstream industries and end markets, softening demand for our core products. High energy costs and capacity expansion among peers are further compressing our profit margins.	Moderate	Operation Downstream	-Increased operating costs -Decreased corporate profits	Short-term Mid-term	- Optimize energy dispatching scheme and promote energy-saving technological upgrades to reduce energy loss in production. - Promote lean production, boost capacity through quality and efficiency improvement, and increase the development of more sustainable products and technologies to strengthen product irreplaceability.

Analysis of Opportunities and Potential Financial Impacts Related to Clean Operations

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Market opportunities	Environmentally friendly enterprises are more likely to gain recognition from partners and customers, thereby expanding market share. Green production and pollution control can also enhance the corporate brand image.	High	Upstream Operation Downstream	+Increased intangible assets +Increased corporate profits	Mid-term Long-term	Implement pollution control measures with high standards, deepen green production models, and build green brand reputation to enhance market recognition.
Technology opportunities	By adopting energy-efficient equipment and green process innovations, we can reduce electricity and water consumption.	High	Operation	+Decreased operating costs	Mid-term Long-term	Promote green technology innovation, introduce energy-efficient equipment, optimize green production processes, and tap into the opportunities for water and electricity conservation to comprehensively cut resource consumption.



Risk management

Sennics integrates environmental risk management into the overall ERM framework. We adopt green technologies at the source, enforce clean production standards throughout operations, and invest prudently but proactively in end-of-pipe treatment, continuously strengthening pollution control, upgrading environmental facilities, and refining management practices. Through a full-chain management approach—covering risk identification, monitoring, control, and improvement—we ensure that production and ecological protection advance together.



Environmental management system

- For all new, renovated, and expanded projects, Environmental Impact Assessments (EIA), environmental acceptance inspections, and environmental supervision are conducted as required. This ensures that environmental protection facilities are designed, constructed, and commissioned simultaneously with the main project. Furthermore, we improve our environmental management system and procedures, supported by regular on-site supervision, inspections, and follow-ups on hazard rectification.
- We identify and evaluate potential environmental hazards during construction and renovation, including exhaust gas, wastewater, waste residue, dust, malodorous gas, radioactive substances, as well as noise, vibration, electromagnetic and radiation.
- We implement effective control measures according to regular identification and assessment results of environmental hazards, prioritizing the elimination or mitigation of environmental hazards from source. We have improved environmental protection management procedures to regulate pollutant reduction, waste management, resources and energy management, wastewater management, exhaust gas management, and noise control, etc.
- We develop environmental emergency response plans and file them as required. Regular drills are conducted to enhance emergency response capabilities. Our pollution treatment facilities are operating stably, ensuring that pollutants are discharged up to standard. We have also obtained pollution discharge permits and other certificates as per law, and operate in strict compliance with regulations.



Water resources management

- All water resources come from municipal water supply; neither water intake nor sewage discharge exerts a significant impact on water sources. We improve circulating water quality and concentration control to boost synergies with steam and thermal energy savings. In 2025, our water reuse rate exceeded 98%, with the total recycled and reused water surpassing 153.2 million tons.
- Utilizing the Aqueduct Water Risk Atlas tool developed by the World Resources Institute (WRI), we have analyzed and assessed the water stress levels at our headquarters and major production bases for the short, medium, and long term (2030, 2050, and 2080, respectively). The assessment indicates a degree of mitigation in medium- and long-term water stress.
- The Water Conservation Optimization Leading Group oversees water resource management, and has prepared the *Industrial Water Management Rules* to regulate water withdrawal, use, and assessment across the full lifecycle. In addition, Plants are also required to install qualified meters and establish a three-tier metering network across the plants, workshops, and major water-using facilities.
- We advance energy-saving and water-saving technological retrofitting throughout our R&D and production processes. Through comprehensive upgrades to circulating water, boiler, and demineralized water systems, our operating plants have reduced water withdrawal by approximately 10%. Where conditions allow, we have also promoted reclaimed water reuse, achieving a reuse rate of over 10% at these sites.
- We strengthen rainwater collection and management by regularly cleaning drainage systems across our sites. First-flush rainwater is treated to standard at the wastewater treatment plant and then reused in the cooling water system. To ensure effective rainwater-wastewater separation, we have built dedicated rainwater collection tanks and conduct real-time water quality monitoring to guarantee compliant discharge.



Wastewater management

- We continue to advance water pollution control efforts. Our wastewater is pre-treated at on-site facilities to meet required standards before being discharged to industrial park wastewater treatment plants. Our key pollutant-discharging subsidiaries publicly disclose environmental information, including outlet location, pollutant types, environmental facilities, and monitoring plans.
- We endeavor to reduce production wastewater. We have independently developed clean production technology for the rubber antioxidant intermediate RT Base, which utilizes a low-temperature liquid-phase catalytic hydrogenation process. The technology has substantially lowered wastewater discharge, and has been honored the Second Prize of the National Science and Technology Progress Award. Moreover, our self-developed new process and industrialization technology for synthesizing the antioxidant 6PPD via precious metal catalytic hydrogenation generates virtually zero waste gas, wastewater, and solid waste. Sennics Thailand has initiated water resource integration and zero-discharge system improvements, achieving full recovery of wastewater, closed-loop recycling of sewage, and near-zero discharge.



Air emissions management

- For source reduction, we minimize emissions at the source by substituting clean energy, upgrading processes and technologies, and introducing advanced environmental equipment such as triple-effect evaporators. During the reporting period, Sennics Shandong added 2 tail gas treatment units; and Sennics Anhui replaced a 2-ton gas-fired thermal oil boiler with an electric one.
- For process control, we implement specialized odor control and VOCs management initiatives. We conduct leak detection and repair (LDAR) in accordance with monitoring schemes, and test the sealing points of equipment and pipeline components carrying gaseous and liquid VOC materials. Sennics Shandong has completely eliminated odor risks and achieved ultra-low VOC emission through equipment replacement and targeted corrective actions.
- For end-of-pipe treatment, advanced treatment facilities have been installed to reduce pollutant emissions, including Regenerative Thermal Oxidizers (RTOs), low-NOx burners, SCR denitration device for boiler flue gas, and exhaust resin adsorption systems. We also strictly implement pollution prevention and control measures during the autumn and winter seasons and ensure air quality during critical periods.
- For monitoring and early warning, online monitoring facilities are installed at all major emission points, enabling real-time detection, alerting, and response to any data anomalies.



Resource recycling and disposal

- We are advancing our "Waste-Free Company" initiative. In 2025, 9 action plans were formulated to classify, treat, and recycle production waste, promoting waste reduction, resource recovery and safe disposal. A hazardous waste lifecycle management system has been established to improve tiered and classified control. Sennics Shandong and Sennics Anhui use the dedicated hazardous waste treatment units within the Group to improve internal disposal and recycling rates. Sennics Anhui has signed contracts with external providers for the disposal and recycling of high-calorific-value solvents, improving disposal quality and efficiency.
- We proactively use eco-friendly and recyclable raw, auxiliary, and packaging materials, standardizing the use of easily degradable, single-material kraft paper bags for our products. Depending on the transport route and site conditions, certain products are packaged in Flexible Intermediate Bulk Containers (FIBC) to enhance transport efficiency through mechanization. While ensuring product quality, we have optimized packaging designs to significantly reduce weight and improve resource utilization: the height of our 1,000kg and 500kg container bags has been reduced by up to 10%, pallet weight by over 30%, and reusable aluminum foil covers replace disposable insulating cardboard for full-truck shipments.
- Focusing on emission reduction and efficiency improvement, we actively advance our "Green Factory" initiative and the "zero-waste" concept across all employees through bulletin boards, digital screens, and science lectures,encouraging a moderate, green and low-carbon lifestyle.

Biodiversity conservation

Since 2022, we have initiated a biodiversity impact and dependency assessment, identified key management priorities, and established clear objectives and conservation plans. We are committed to engaging more partners across our value chain to jointly safeguard a community of life on earth.

Conservation First

- Sennics operates no facilities near or within biodiversity-sensitive areas, ensuring our direct operations do not significantly affect the habitats of protected species. We continue to integrate biodiversity conservation into all stages of production and operations. Proactive measures are taken to protect ecosystems, species and genetic resources, ensuring ecological security.
- For new projects, we avoid environmentally sensitive areas, complete environmental impact assessments, and secure the necessary approvals. For existing projects, we comply with all safety and environmental regulations, improve environmental emergency response plans and enhance response capabilities. Especially for operational sites in the Yellow River Basin ecological protection zone, all discharges are strictly controlled within permit limits to protect aquatic life and ecological balance.
- We are committed to green operations. Through digitalization, we are upgrading our functional modules of our existing safety information platform, and adopting clean processes across NS, CBS, and DM production. We conduct periodic clean production audits, and take energy-saving measures identified in the audit reports. In addition, energy efficiency is continuously enhanced through a range of initiatives, including conducting water balance tests to identify conservation opportunities, procuring high-efficiency motors and appliances, optimizing process controls, upgrading equipment, and utilizing steam waste heat. Strict waste management is enforced across all facilities, with company-wide awareness of ecological protection raised through campaigns on World Environment Day, National Ecology Day , and other key occasions.

Sustainable Use

- We use biological resources in a scientific, rational and orderly manner, and develop technologies for their sustainable use. Focusing on biomass studies, circular technologies, and low-carbon processes, we advance the “AI + R&D” model and strengthen research on biodiversity conservation.
- For green product and process innovations, we have developed a new biomass-based additive. Our new antioxidant SA6000 with a novel chemical structure is undergoing large-scale industrial tire testing, and has been granted patents in China and the United States for its eco-friendly excellence. We are promoting our green SA-series and bio-based antioxidants through technical presentations and industry conferences, thereby driving industry-wide green transition.
- While we haven’t yet collaborated with third parties on habitat protection or restoration projects, we monitor local biodiversity requirements, and provide relevant support for biodiversity assessment as needed.

Public Participation

- We strengthen biodiversity education and awareness through campaigns on the International Day for Biological Diversity and Earth Day.
- To foster a green culture, we have launched employee family day activities themed “Earth Day– Protecting Life with Childlike Hearts,” encouraging participation in aquatic life release, vegetation restoration, and animal rescue.

Benefit Sharing

- We promote biodiversity conservation across the value chain. We incorporate sustainable raw materials and greenhouse gas emissions into supplier assessments, encouraging suppliers to obtain more environmental and green product certifications.
- To spread the principles of ecological protection, we share our biodiversity practices at industry forums and ESG events, facilitating knowledge-sharing and dialogue among customers, partners, and employees to enhance biodiversity awareness across the value chain.



Metrics and targets

2027 Targets	Progress in 2025
Total waste (like-for-like) down 10% vs. 2020	Total waste (SO ₂ /NO _x /VOCs) down by over 10% on a like-for-like basis compared with 2020
100% compliance rate for pollutant discharge and standardized disposal rate for hazardous waste	100% compliance rate for pollutant discharge and standardized disposal rate for hazardous waste
100% on-schedule completion rate for environmental hazard rectification projects and key pollution prevention initiatives	100% on-schedule completion rate for environmental hazard rectification projects and key pollution prevention initiatives
	No major adverse events affecting biodiversity occurred during the year



Harmony and Integration Driving Shared Progress for a New Era

Our Focus

Talent is the core driver of corporate growth, partners are key to shared success, and society provides a solid foundation for sustainable development. Sennics remains committed to putting people first by safeguarding employee rights and career development, promoting supply chain compliance and sustainability, and fulfilling its social responsibilities and philanthropic mission. United by a shared sense of responsibility, Sennics works with employees, suppliers, and society to build an ecosystem for high-quality development.

Outlook

Going forward, we will continue our people-centered approach, strengthen talent development and employee rights protection, advance sustainability across the supply chain, and deepen our engagement in community initiatives and rural revitalization. Through a long-term commitment to responsible development, we aim to co-create a sustainable future that gives employees confidence, earns partners' trust, and gains society's recognition.

Pursing Talent-Driven Development

Governance

Sennics complies with China's *Company Law*, *Labor Law*, *Labor Contract Law*, and other applicable domestic labor laws and regulations. The Company also observes international labor and human rights standards, including the *Universal Declaration of Human Rights* and the *ILO Declaration on Fundamental Principles and Rights at Work*. All employment management practices are carried out in accordance with laws and regulations. The Company has established internal policies including the *Recruitment Management Measures*, *Compensation Management Measures*, *Benefits Management Measures*, *Measures for the Selection and Appointment of Management Personnel*, *Position Management Measures*, and *Education and Training Management Measures*. Revisions are under way to the *Performance Management Measures*, *Attendance and Leave Management Measures*, and *Innovation Incentive Management Measures*. Sennics communicates these policies through the *Employee Handbook*, creating a robust institutional foundation for talent management.

<http://www.sennics.com/sennics/kcxfz/kcxfzcc/lgyrq/A143006003004Gone1.html>

Click the above link to learn more about Sennics' Labor and Human Rights Policy

Strategy

Sennics has built a comprehensive human resources support system aligned with high-quality development. By fostering synergies among managerial, technological, and skilled talent, the Company improves its team structure, strengthens talent development, and refines its personnel selection and appointment systems. Through a full talent cycle covering selection, development, management, deployment, and offboarding, we stimulate organizational vitality, and align talent supply and capability profiles with our strategic objectives while fostering a diverse and inclusive workplace, and safeguarding employees' lawful rights and interests. These efforts translate talent strengths into a core competitive advantage.

Analysis of Risks and Potential Financial Impacts Related to Human Resources

Risk Type	Description	Probability	Affected Links	Potential Financial Impacts -/+	Time Frame	Response Measures
Operational risks	The overall talent supply is tightening, while competition for core talent in the chemical industry is intensifying. An underdeveloped internal training system may result in gaps in the core talent pipeline and a shortage of qualified successors, which could undermine innovation capacity and sustainable development.	Moderate	Operation	-Decreased operating profit -Increased administrative and R&D expenses	Mid-term Long-term	Create a talent map, define career pathways at each level, implement a long-term talent development plan, provide leadership training for succession candidates, and strengthen the talent pipeline.
Labor efficiency risks	Business pressures may lead to staffing imbalances, with vacancies in key positions and redundancies elsewhere. Low per capita efficiency may constrain labor productivity and the sustainable operations.	Moderate	Operation	-Increased production costs -Increased administrative expenses	Mid-term	Refine staffing allocation, streamline management layers, and improve person-job fit through cross-unit employee exchanges and open competitive selection.
Talent loss risks	Limited flexibility in compensation incentives and weak performance-pay alignment may result in the loss of core talent, potentially weakening workforce stability, team morale, and long-term human capital value.	High	Operation	-Increased recruitment costs	Short-term Mid-term Long-term	Optimize the compensation structure, reinforce pay-for-performance links, implement targeted incentive policies, and advance tenure-based and contractual management to enhance incentives for core talent.

Analysis of Opportunities and Potential Financial Impacts Related to Human Resources

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts -/+	Time Frame	Response Measures
Talent development opportunities	- Building on reforms to the labor, personnel, and compensation systems, developing a young, professional, and international management team, improving fair and open competitive selection, and enhancing governance effectiveness and organizational vitality. - Responding to national policies on highly skilled and innovative talent by refining dual career pathways for technical and skilled employees, advancing joint master's and doctoral training programs, and upgrading employee skills through multiple channels.	High	Operation	+Increased revenue	Short-term Mid-term Long-term	- Maintain open competitive selection,enable performance-based promotion and demotion, strengthen leadership development, and update rules for management rotations and exits. - Deepen collaboration among industry, academia, and research institutions, standardize corporate practical training, refine professional title and skill-level assessment, and expand the pool of scientific, technical, and skilled personnel.
Management and compliance opportunities	Adapting employment practices to varying labor and human rights requirements across countries, reinforcing labor compliance, and fostering a fair employment environment as the Company expands globally.	High	Operation	+Decreased non-operating expenses	Mid-term Long-term	Enhance labor policy implementation and targeted inspections, strengthen digital oversight, and conduct regular democratic appraisals and employee satisfaction reviews.

Risk management

Sennics has established a full-cycle system for human resources management and employee rights protection. Through standardized employment management, sound compensation and benefits, well-defined career development pathways, effective democratic communication, and a broad range of employee care initiatives, the Company unlocks employee potential and enhances organizational effectiveness, providing robust human resources support and lasting momentum for high-quality development.

Equal employment

Sennics upholds the principles of fairness, impartiality, and transparency in recruitment. The Company prohibits discrimination based on gender, race, ethnicity, religion, disability, age, or other factors, and is committed to fostering a respectful and equitable workplace. Child labor and forced labor are strictly forbidden and recruitment channels and processes are managed to ensure compliance, with a centralized pool of service providers supporting compliant labor-dispatch arrangements. Both campus and social recruitment follow Sinochem Holdings' unified policies. Campus recruitment uses the Sinochem Holdings' recruitment system, while social recruitment requires higher-level approval. These measures prevent unlawful employment arising from uncoordinated recruitment by subsidiaries, and guard against discriminatory language and the collection of privacy-sensitive personal information during hiring, ensuring person-job fit and merit-based selection. In 2025, the Company had a total of 1,931 employees.

Indicator (Unit: headcount)	2025	Indicator (Unit: headcount)	2025
Total new hires	57	Total employee turnover	115
New male hires	43	Male employee turnover	78
New female hires	14	Female employee turnover	37
New hires (under 30)	37	Employee turnover (under 30)	40
New hires (aged 30-50)	17	Employee turnover (aged 30-50)	40
New hires (over 50)	3	Employee turnover (over 50)	35
New domestic hires	41	Domestic employee turnover	98
New overseas hires	16	Overseas employee turnover	17

Compensation and benefits

In terms of compensation, the Company follows a market-oriented approach and has established a compensation system that is both competitive and equitable. We align compensation with market rates and government guidance, and update regional and job-grade pay standards as needed based on performance, keeping pace with market and policy shifts. Tenure-based and contract-based management has been implemented for all members of the management team, closely linking organizational and leadership performance and reinforcing management accountability for the Company's 2025 strategic objectives and business results. Sennics and all subsidiaries have signed *Appointment Agreements* and *2025 Business Performance Responsibility Agreements*, establishing market-oriented decision-making across the organization. Targeted incentive policies have also been implemented, including rewards for a strong start to the sales year and incentives for accelerator market development, with milestone-based bonuses distributed accordingly. The Company also assisted Sennics Lianyungang in designing special rewards for production output and product quality. In terms of benefits, the Company makes statutory social insurance contributions in full, provides childcare leave in accordance with the laws applicable at each operating location, and has formulated an early retirement policy while supporting subsidiaries in communicating it to employees. In line with Sinochem Holdings' arrangements, the Company has also completed the transition from commercial insurance to employer's liability insurance.

Democratic management

The Company has established a trade union and conducts democratic management, primarily through workers' congresses. These congresses and staff seminars are held regularly to safeguard employees' rights to information, expression, supervision, and participation and to support democratic participation, management, and oversight. The Company also conducts regular democratic appraisals of the leadership team and satisfaction assessments of personnel selection and appointment, while soliciting and implementing employee suggestions.

Sennics addresses employees' urgent needs and concerns by maintaining accessible complaint and feedback channels, collecting suggestions, and ensuring closed-loop feedback. Employees may report violations of their rights and interests through the complaint hotline, complaint email, or by contacting the Company's Human Resources Department directly. Sennics has also established a complainant protection mechanism and is committed to protecting complainants. Reported matters are independently investigated, and any confirmed misconduct or non-compliance will be corrected promptly, with appropriate action taken against those responsible in accordance with applicable policies.

Reporting hotline: **021-68373744**

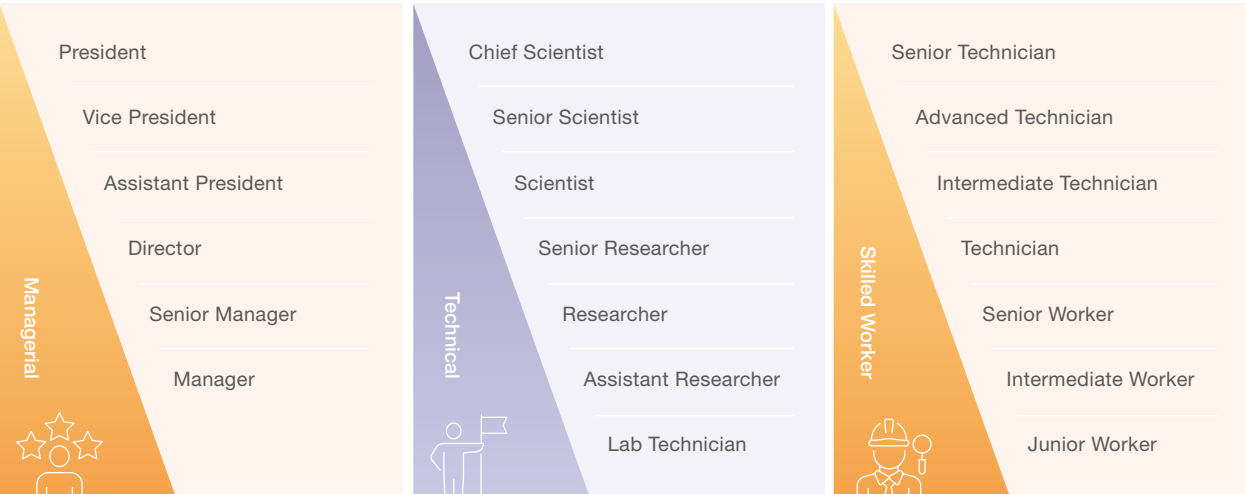
Reporting email: **Sennics-xfjb@sinochem.com**

Training and career development

In employee training, the Company advances targeted talent development and undertakes joint training of engineering master's and doctoral candidates. In terms of career development, guided by the goal of a young, professional, and international workforce, Sennics has implemented open competitive selection. Through this process—open to younger managers and those with experience leading core departments—the Company has selected a group of professionals with strong expertise and initiative to fill key positions, providing organizational support for strategy implementation and stable operations. In line with the talent development strategy, the Company has established three career tracks—M (Managerial), T (Technical), and W (Skilled Worker)—and systematically advances their implementation, providing clear career development pathways for technical and skilled employees. In 2025, 71 new skilled workers at the senior level or above, and 35 new employees with intermediate or above professional titles, were added. The Sennics Anhui Skills Master Studio passed its assessment and was officially inaugurated, while the Wang Zhen Skills Master Studio was recognized as one of the first Sinochem Holdings Skills Master Studios. These initiatives provide robust talent support for breakthroughs in core technologies and gains in production efficiency.



Instrumental Analysis Skills Competition



Work-life balance

Sennics has developed the "Six Hearts, Six Senses" employee care framework, under which we offer care and support during major holidays, and organize a wide range of cultural, recreational, and sports activities. These include employee sports meets, basketball tournaments, fun runs, recitation competitions, Spring Festival celebrations, parent-child family days, summer cooling programs, and health care initiatives. These activities enrich employees' lives outside work and strengthen team cohesion and sense of belonging. The Company pays particular attention to protecting the rights of employees in hardship, female employees, ethnic minorities, and employees with disabilities. Sennics respects the dietary customs of ethnic minority employees and safeguards female employees' employment rights during pregnancy. The Company also provides commercial maternity insurance, implements prenatal and breastfeeding leave in accordance with applicable regulations, and has established dedicated mother-and-baby rest areas to fully support their rights and well-being.

Care and support for female employees

To mark the 115th International Women's Day, Sennics organized a series of activities for all female employees under the theme "Celebrating Her Strength." The program included a themed visit "Timeless Blossoms: A Journey Back to Old Shanghai," holiday gifts, baking and floral arrangement workshops, spring hiking, parent-child activities, health & well-being programs, and DIY aromatherapy lamp workshops. These activities created an equitable and welcoming environment in which every female employee can grow together with the Company.



Scan the QR code for more information

Parent-child family day

The Sennics Trade Union partnered with the Sinochem Technology Trade Union to lead eight employee families on an engaging journey connecting science and technology with rural life. The families visited the Shanghai Research Base of the International Science and Technology Innovation Center and Xinmiao Village in Kangqiao Town. The event gave family members insight into the Company's "Innovation DNA," showcased the charm of folk culture through parent-child collaboration, and built stronger family-company connections through diverse activities, bringing the benefits of shared development to every employee family.



Scan the QR code for more information



Visits to the families of employees assigned to external assistance projects



Floral arrangement workshop

Metrics and targets

2027 Targets

0 incidents of discrimination or harassment
All employees are paid above the local statutory minimum wage to support decent work and living standards, identify employees in need, and provide **100%** assistance
Female management ratio **≥20%**

Convene **1** workers' congress; organize more than **10** staff seminars
100% response rate of employee complaints

Organize more than **30** cultural exchange activities at the company level
100% of employees trained on sustainability awareness and capabilities

Progress in 2025

No incidents of human rights violations such as child labor, forced labor, discrimination, or harassment occurred
All employees were paid above the local statutory minimum wage to support decent work and living standards, identified employees in need, and provided **100%** assistance
Proportion of women in senior management positions: **26.67%**

Held **7** workers' congresses and **35** employee representative communication meetings
A total of **246** suggestions and opinions were collected throughout the year
100% employee complaint resolution rate

Held **46** cultural and sports activities
100% of employees received occupational or skills-related training
Invested RMB **1.5265** million in employee training, with **44,649** participants trained in **141,089.1** hours
Average training hours per employee: **73.07** hours/person; Average training hours per male employee: **74.68** hours/person; Average training hours per female employee: **67.98** hours/person; Average training hours per managerial employee: **91.71** hours/person; Average training hours per non-managerial employee: **68.39** hours/person

Building a More Responsible Value Chain

Governance

At Sennics, supply chain development and supplier management are overseen by the Sustainable Supply Chain Working Group under the Sustainability Committee. The Company complies with applicable Chinese laws and regulations, such as the *Bidding Law* and *Anti-Monopoly Law*, and also observes regulatory requirements and international conventions in the countries and regions where it operates. In light of its operations, the Company has formulated and revised management policies, including the *Procurement Management Regulations*, *Contract Management Measures*, *Supplier Management Measures*, *Detailed Implementation Rules for Procurement Expert Pool Management*, and *Supplier Code of Conduct*, continuously improving supply chain management.

The Company manages the entire supplier lifecycle, from due diligence, qualification, selection to assessment and evaluation, and sets out clear requirements and expectations for suppliers in labor and human rights, health and safety, environmental performance, business ethics, and sustainability. Suppliers are also required to comply with applicable laws and regulations concerning anti-monopoly, anti-unfair competition, import and export trade, anti-money laundering, and anti-corruption. The Company rejects the procurement of conflict minerals and strictly controls the sources of mineral raw materials such as tin, tantalum, tungsten, and gold. These measures ensure that mineral raw materials used by Sennics and across the supply chain do not originate from disputed areas or illegal mining, and help prevent potential business ethics, environmental, and social risks across the supplier base.

<http://www.sennics.com/sennics/kcx fz/kcx fzzc/kcx cg/A143006003005Gone1.html>

Click the above link to learn more about Sennics' Sustainable Procurement Policy

Strategy

Sennics' sustainable procurement vision is to "implement green procurement and build a sustainable supply chain with world-class competitiveness." The Company integrates sustainability standards and requirements throughout supplier management, promotes the strategic transformation of procurement through centralized and digital management, and works with upstream and downstream suppliers to build a new green, mutually beneficial, and sustainable supply chain ecosystem.

Analysis of Risks and Potential Financial Impacts Related to Supply Chain

Risk Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Compliance risks	Supplier non-compliance with our ESG standards, or material ESG issues, could compromise the ESG compliance of our products and adversely affect our domestic and overseas sales.	Moderate	Upstream Operation Downstream	-Reduced revenue -Increased operating costs	Short-term Mid-term Long-term	- Embed ESG compliance requirements throughout full-lifecycle supplier management. - Conduct regular supplier ESG performance ratings and ongoing assessments.
Transition risks	Global economic volatility may lead to supply chain instability in certain regions and fluctuations in raw material prices. Concurrently, increasingly stringent environmental regulations, both domestically and internationally (such as the EU's Carbon Border Adjustment Mechanism and China's new pollutant control policies), are driving up the cost of compliance.	Moderate	Upstream Operation Downstream	-Increased procurement costs -Increased compliance costs	Short-term Mid-term Long-term	- Establish a diversified raw material procurement system to reduce dependence on any single region or source. - Optimize the supply chain network and establish emergency supply plans.
	High supply chain concentration creates risks: if key suppliers suspend operations—due to tax disputes or other issues—it could lead to production stoppages and disrupt product supply stability.	Low	Upstream Operation Downstream	-Increased operating costs -Reduced revenue	Short-term	

Analysis of Opportunities and Potential Financial Impacts Related to Supply Chain

Opportunity Type	Description	Probability	Affected Links	Potential Financial Impacts +/-	Time Frame	Response Measures
Compliance opportunities	By establishing robust ESG management within the supply chain, the long-term stability of our business operations will be significantly enhanced, thereby mitigating the financial loss associated with ESG risks.	High	Upstream Operation Downstream	+Increased operational efficiency and market confidence	Mid-term Long-term	• Ensure that 100% of suppliers sign responsibility commitment letters. • Conduct regular supplier assessments to verify their ESG capabilities and performance.
Technology opportunities	The digital transformation of our supply chain is pivotal in fostering closer collaboration. Through the introduction of advanced technologies such as Artificial Intelligence (AI) and the Internet of Things (IoT), intelligent decision-making and automated operations are enabled, ultimately enhancing overall operational efficiency.	High	Upstream Operation Downstream	+Decreased procurement costs +Decreased operating costs	Mid-term Long-term	• Use digital management systems to enable real-time supply chain information sharing and improve overall operational efficiency. • Provide suppliers with sustainability training and carbon management programs.
	To provide targeted sustainability capacity-building training to our suppliers based on their performance ratings and market demands helps enhance their sustainability capabilities.	Moderate	Upstream Operation	-Increased operating costs	Short-term	

Risk management

Sennics fully implements the sustainable supplier admission and evaluation management. The Company has established and implemented sustainability standards and procedures for supplier selection and evaluation to identify and assess potential risks, and conducts regular sustainable procurement assessments through questionnaires, on-site audits, and other methods. Sustainable procurement targets, including sustainable supply chain development and the core supplier assessment rate, have been incorporated into performance evaluations,with results directly linked to the performance bonuses of the procurement personnel involved.

Supplier category	ISO 9001 Certification Pass Rate	ISO 45001 Certification Pass Rate	ISO 14001 Certification Pass Rate
Class A (24)	24 passed (100%)	20 passed (83.33%)	20 passed (83.33%)
Class B (18)	15 passed (83.33%)	12 passed (66.67%)	12 passed (66.67%)
Class D1 (9)	9 passed (100%)	7 passed (77.78%)	7 passed (77.78%)



Sennics 2025 Logistics Supplier Seminar



Scan the QR code for more information

Supplier admission



The Company conducts supplier risk assessments based on multiple factors, including supplier category, country or region, industry, credit status, and financial strength, assigns corresponding risk levels, and retains investigation reports in the SRM system, applying full-process due diligence and ongoing controls throughout the supplier lifecycle. All suppliers on the Sennics Approved Supplier List must sign the *Supplier Code of Conduct Commitment Letter*, *Corporate Social Responsibility (CSR) Evaluation Form*, *Sennics' Supplier Sustainable Procurement Questionnaire*, *REACH Commitment Letter*, and *Conflict Minerals Confirmation Letter*, and submit business licenses and other qualification documents as the basis for admission. Greenhouse gas (GHG) emissions intensity has become an important criterion in supplier selection. GHG emissions reduction requirements are incorporated into the Supplier Code of Conduct, and all suppliers are required to take effective measures to reduce emissions during production and operations and to report their progress regularly.

Supplier assessment



The Company strengthens the management and performance rating of key suppliers and conducts regular sustainability inspections, assessments, and evaluations. Assessment criteria cover not only product prices, supply quality, and settlement arrangements, but also core sustainability topics such as environmental performance, labor rights, and occupational health and safety. Requirements for suppliers to safeguard employee rights and prevent discrimination and harassment are also included. All suppliers on the Approved Supplier List must complete a CSR risk analysis and submit the *Supplier Self-Assessment Questionnaire (SAQ)* and *Sennics' Supplier CSR Risk Assessment Form*.

Supplier audits



The Company formulates annual audit plans and uses on-site audits, questionnaires, and other methods to score suppliers on qualifications, product and service quality, environmental protection, labor and human rights, health and safety, and business ethics. In 2025, the Company completed annual on-site audits of 12 major suppliers and conducted a targeted clean-up of sole-source suppliers and intermediaries. Sennics also launched a supply chain price management platform and developed a quotation module using the CRM system, enabling unified management of logistics pricing and further standardizing procedures.

Supplier capacity building



The Company has established a sustainable supply chain communication platform that promotes dialogue through supplier exchanges, training programs, and supplier conferences, and provides suppliers with sustainability training, on-site guidance, and consulting. Sennics also develops innovative collaborative initiatives to improve suppliers' sustainability management capabilities. The *Global Supplier Diversity Program* is available to all suppliers through the SRM system, and procurement personnel and suppliers can participate in training on value chain decarbonization and diversity. Platforms including TfS Academy, TfS OASIS, and EcoVadis Webinars are used to deliver internal and external sustainability training. Committed to advancing value chain decarbonization, we encourage and support suppliers in developing products, services, and processes that help mitigate climate change, and provide technical support and training on energy conservation and emissions reduction to help suppliers establish reduction targets and plans. In 2025, Sennics participated in various online and in-person TfS activities and invited core suppliers to attend the annual TfS supplier training in person.

Responsible procurement



Sennics continues to expand green procurement. Building on existing green electricity, photovoltaic power projects, and sustainable packaging, the Company introduced circular pallets. Recycled-material plastic pallets now account for more than 80% of our pallet purchases, and a shared-pallet model has been rolled out. Through the "Carbon Housekeeper" system, the Company promotes carbon verification among suppliers and works to progressively reduce emissions throughout product manufacturing. As a TfS member, Sennics also implements and promotes sustainable procurement initiatives. In 2025, three suppliers completed EcoVadis CSR ratings, bringing the cumulative total to 13 over the past three years. These efforts supported the Company in obtaining International Sustainability and Carbon Certification (ISCC), with 5% of core raw material suppliers also ISCC-certified.

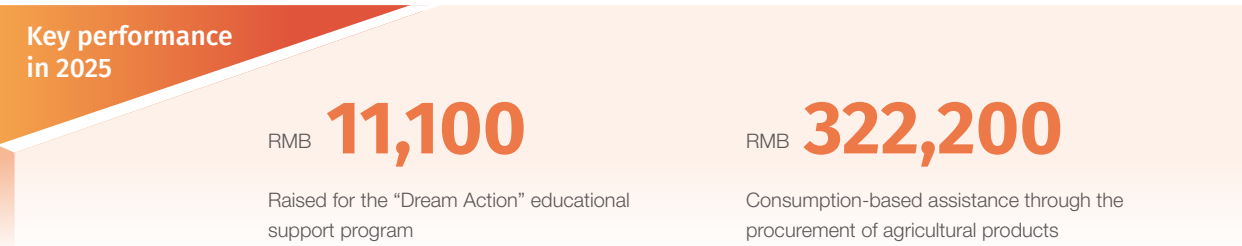
Metrics and targets

2027 Targets	Progress in 2025
100% cumulative coverage of core suppliers assessed for sustainable procurement	100% signing rate of the <i>Supplier Code of Conduct</i> among core suppliers
100% signing rate of the <i>Supplier Code of Conduct</i> for core suppliers	100% of core suppliers signed annual framework agreements covering environmental, social responsibility and other CSR clauses
100% cumulative coverage of sustainable training for core suppliers	100% cumulative coverage of core suppliers covered by on-site sustainable procurement audits
Promote core suppliers to carry out sustainability assessment and on-site audits	12 suppliers received on-site audits, with 28 rectification suggestions put forward
	100% cumulative coverage of core suppliers covered by sustainable procurement assessment
	4 online training sessions on CSR system audit for suppliers conducted
	100% of procurement staff received training on sustainable supply chain management
	100% cumulative coverage of sustainable training for core suppliers

Boosting Social Well-being

Rural revitalization

Sennics supports the consumption-based assistance initiative by procuring agricultural products from designated assistance regions. Sennics also promotes rural revitalization through the “Huabangbang” platform and continues to organize the “Dream Action” educational support program. These efforts consolidate the achievements of poverty alleviation and advance rural revitalization goals.



Sennics Shandong receives a “Certificate of Caring Support” from Pingshan County for assistance-oriented procurement

Sennics Lianyungang deepens consumption-based assistance to support rural revitalization

During the Mid-Autumn Festival and National Day holidays, the Sennics Lianyungang Trade Union organized a special initiative themed “Consumption Drives Revitalization, Care Brings Warmth.” In line with relevant assistance arrangements, Sennics Lianyungang partnered with Gulang County and procured local specialty agricultural products in place of direct donations, supporting rural industrial development while providing tangible employee benefits. Sennics Lianyungang will work to make consumption-based assistance a regular, long-term initiative.



Corporate philanthropy

Sennics engages in philanthropic initiatives, focusing on community well-being and regional development needs. The Company participates in charitable assistance, educational support, safety education and other programs, promotes volunteerism and strengthens community partnerships and public services. Conveying warmth through care and building collective strength through responsibility, Sennics gives back to society through concrete action, and fulfills public welfare responsibilities in the new era.



Sennics Shandong recognized by the Shandong Women and Children's Development Foundation

In May 2025, the Shandong Women and Children's Development Foundation sent a letter of appreciation to Sennics Shandong, and named it a “99 Charity Festival Giving Partner.” The recognition commended Sennics Shandong for actively responding to the 2024 Joint Fundraising Campaign. Sennics Shandong mobilized employees to donate RMB 20,000 in support of women's and children's welfare initiatives.



Scan the QR code for more information

Key Performance Indicators

Category	Metrics	Unit	2023	2024	2025
Governance ³	Total revenue	RMB billion	4.128	3.666	3.090
	R&D investment	RMB billion	0.202	0.193	0.181
	Number of projects in the lab-scale phase	-	13	13	10
	Number of projects in the pilot-scale/engineering research phase	-	8	8	5
	Partner research institutes and universities	-	3	3	3
	Joint R&D projects with research institutes and universities	-	10	4	6
	Number of intellectual property applications (including patents and copyrights)	-	44	35	35
	Number of granted intellectual property (including patents and copyrights)	-	23	50	42
	Proportion of employees trained in business ethics topics (anti-corruption, compliance, information security, etc.)	%	100	100	100
	Anti-corruption and anti-bribery training	session	66	68	64
	Total hours of anti-corruption and anti-bribery training	hour	1,839.5	1,655	11,602
	Employee participants in anti-corruption and anti-bribery training	headcount	3,679	3,309	7,870
	Number of governance personnel trained in anti-corruption and anti-bribery	headcount	53	84	60
	Coverage of employees trained in anti-corruption and anti-bribery	%	100	100	100
	Coverage of governance personnel trained in anti-corruption and anti-bribery	%	100	100	100
	Number of confirmed corruption cases	-	0	0	0
	Number of reports related to corruption	-	0	0	0
	Percentage of all operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted	%	100	100	100
	Number of confirmed information security (cybersecurity, information leakage, etc.) incidents	-	0	0	0
	System failures or cyber attacks during the“Blue Sky” initiative	-	0	0	0
	Trade secret leakage incidents	-	0	0	0
	Trade secret training	session	12	13	10
	Training sessions on phishing email simulation and warning	session	5	6	15
	Number of cyber and information security training sessions	session	1	1	1
	Coverage of employees trained in cyber and information security	%	100	100	100
	Percentage of risky trading partners covered by due diligence on corruption or information security	%	100	100	100
	Legal actions for monopoly and anti-competitive behavior	-	0	0	0
	Contract performance rate	%	100	100	100
	Number of core suppliers	-	57	72	51
	Percentage of localized procurement	%	98	96.9	96.1
	Number of core suppliers signing the Supplier Code of Conduct	-	57	72	51

Category	Metrics	Unit	2023	2024	2025
Governance ³	Signing rate of the Supplier Code of Conduct for core suppliers	%	100	100	100
	Percentage of core suppliers covered by annual framework agreements with CSR clauses (including environmental and social responsibility)	%	100	100	100
	Number of core suppliers assessed for sustainable procurement ³	-	57	72	51
	Cumulative coverage of core suppliers assessed for sustainable procurement	%	100	100	100
	Percentage of new suppliers that were screened using environmental and social criteria	%	100	100	100
	Number of core suppliers covered by on-site sustainable procurement audits	-	12	16	12
	Cumulative coverage of core suppliers covered by on-site sustainable procurement audits	%	100	100	100
	Rectification recommendations issued following on-site audits of core suppliers	-	30	30	28
	Implementation rate of rectification recommendations from on-site audits of core suppliers	%	100	100	100
	Percentage of audited or assessed suppliers engaged in corrective actions or capacity building	%	100	100	100
	Number of suppliers identified as having significant actual and potential negative environmental or social impacts	-	0	0	0
	Number of sustainable training for core suppliers	-	3	3	3
	Cumulative coverage of sustainable training for core suppliers	%	100	100	100
	Online training session on CSR system audit for suppliers conducted	-	4	4	4
	Training participants of online training session on CSR system audit for suppliers ¹	headcount	-	130	100
	Percentage of procurement staff trained on sustainable supply chain management	%	100	100	100
Social ³	Product delivery qualification rate	%	99.86	99.97	99.87
	One-time inspection pass rate of 4-ADPA, 6PPD, IPPD products	%	100	100	100
	One-time inspection pass rate of TMQ products	%	99.35	99.95	100
	One-time inspection pass rate of IS products	%	99.65	99.87	99.34
	Product recalls	-	0	0	0
	Incidents of non-compliance concerning the health and safety impacts of products and services	-	0	0	0
	Incidents of non-compliance concerning product and service information and labeling	-	0	0	0
	Incidents of non-compliance concerning marketing communications	-	0	0	0
	Incidents of non-compliance concerning breaches of customer privacy and losses of customer data	-	0	0	0
	Customer satisfaction	-	97.2	95.7	96
	Total employees	headcount	2,051	2,018	1,931
	Total male employees	headcount	1,527	1,522	1,466
	Total female employees	headcount	524	496	465
	Employees with a Master's degree or higher	headcount	131	121	131
	Employees with a Bachelor's degree	headcount	541	585	651

Category	Metrics	Unit	2023	2024	2025
Social ³	Employees graduated from junior colleges	headcount	677	679	601
	Employees graduated from technical secondary schools or lower	headcount	702	633	548
	Total employees under 30	headcount	359	352	291
	Total employees aged 30-50	headcount	1,272	1,253	1,226
	Total employees over 50	headcount	420	413	414
	Employees based in China	headcount	2,001	1,967	1,881
	Overseas employees	headcount	50	51	50
	Employees from ethnic minorities	headcount	23	27	25
	Total employees with disabilities	headcount	10	7	7
	Proportion of female employees	%	25.5	24.6	24.1
	Percentage of employees from a minority or vulnerable group in the whole organization	%	1.12	1.68	1.66
	Local executive employment rate at key operating locations within China	%	100	100	100
	Management personnel	headcount	428	404	387
	Employees from ethnic minorities	headcount	93	74	75
	Proportion of women in senior management positions (excluding the Board of Directors)	%	21.73	25.64	26.67
	Proportion of employees from ethnic minorities and/or vulnerable groups who held senior management positions (excluding the Board of Directors)	%	9.09	5.13	4.44
	Coverage of social insurance	%	100	100	100
	Violations of freedom of association and collective bargaining	-	0	0	0
	Total investment in employee training	RMB 10,000	224	160.99	152.65
	Total employee training hours	hour	131,068	146,992.1	141,089.1
	Total training participants	headcount	41,545	41,895	44,649
	Averaged training hours per each employee	hour/ headcount	63.90	72.84	73.07
	Averaged training hours per male employee	hour/ headcount	65.91	75.13	74.68
	Averaged training hours per female employee	hour/ headcount	57.74	65.82	67.98
	Averaged training hours per managerial employee	hour/ headcount	51.53	92.39	91.71
	Averaged training hours per non-managerial employee	hour/ headcount	67.17	67.95	68.39
	Percentage of employees who received vocational or skills training	%	100	100	100
	Percentage of employees trained on discrimination and harassment	%	100	100	100
	Proportion of workplaces that conducted human rights reviews or human rights impact assessments in all workplaces	%	100	100	100
	Incidents concerning employee discrimination or harassment	-	0	0	0
	Response rate of employee complaints	%	100	100	100
	Percentage of employees who receive regular performance assessment and career development appraisal (management personnel excluded)	%	100	100	100
	Percentage of management personnel who receive regular performance assessment and career development appraisal	%	100	100	100
	Number of positions for open competition	-	58	18	90
	Male-to-female basic salary ratio	-	1.26	1.20	1.21

Category	Metrics	Unit	2023	2024	2025
Social ³	Average paid leave	day	11	8.6	9.2
	Employees on maternity/ paternity leave	headcount	59	55	38
	Employees returned after maternity/paternity leave	headcount	53	50	33
	Total number of employees that were entitled to parental leave	headcount	136	206	116
	Total number of male employees that were entitled to parental leave	headcount	91	138	93
	Total number of female employees that were entitled to parental leave	headcount	45	68	23
	Total number of employees that took parental leave	headcount	24	42	34
	Total number of male employees that took parental leave	headcount	22	31	28
	Total number of female employees that took parental leave	headcount	2	11	6
	Total number of employees that should return to work in the reporting period after parental leave ended	headcount	24	42	34
	Total number of male employees that should return to work in the reporting period after parental leave ended	headcount	22	31	28
	Total number of female employees that should return to work in the reporting period after parental leave ended	headcount	2	11	6
	Total number of employees that returned to work in the reporting period after parental leave ended	headcount	24	25	34
	Total number of male employees that returned to work in the reporting period after parental leave ended	headcount	22	20	28
	Total number of female employees that returned to work in the reporting period after parental leave ended	headcount	2	5	6
	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	headcount	5	23	32
	Total number of male employees that returned to work after parental leave ended that were still employed 12 months after their return to work	headcount	4	21	26
	Total number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work	headcount	1	2	6
	Return to work rates of employees that took parental leave ⁴	%	100	59.5	100
	Return to work rates of male employees that took parental leave	%	100	64.5	100
	Return to work rates of female employees that took parental leave	%	100	45.5	100
	Retention rates of employees that took parental leave ⁵	%	100	95.8	94.1
	Retention rates of male employees that took parental leave	%	100	95.5	92.9
	Retention rates of female employees that took parental leave	%	100	100	100
	Input for supporting employees in need	RMB 10,000	34	45.1	1.95
	Session of Workers' Congress held	-	5	6	7
	General Meeting of Members of the Trade Union held	-	5	5	4
	Suggestions from employee communication meetings implemented	-	341	466	246
	Staff seminars held	-	10+	30	35
	Trade Union members	headcount	2,001	1,967	1,881
	Proportion of employees covered by formal election of worker representatives in the total number of employees in all regions	%	97.6	97.5	97.4

Category	Metrics	Unit	2023	2024	2025
Social ³	Proportion of employees covered by the Collective Labor Contract, Collective Wage Agreement and Specific Contract for the Protection of Special Interests of Female Employees	%	97.6	97.5	97.4
	Initiatives implemented under the "Doing Practical Things for Employees" program	-	32	76	118
	Implementation rate of the "Doing Practical Things for Employees" program	%	100	100	100
	Number of diverse employee activities conducted	-	200+	8	99
	Number of cultural exchange activities at company level	-	67	83	46
	Input for public welfare	RMB 10,000	81.766	25.68	32.08
	Number of public welfare projects	-	18	5	9
	Employee volunteers ⁶	headcount	741	52	193
	Public service hours	hour	111.5	320	592
	Percentage of workplaces that have conducted employee health and safety risk assessments	%	100	100	100
	Percentage of employees covered by health and safety committees	%	100	100	100
	New occupational diseases and accumulated occupational diseases	-	0	0	0
	Coverage of medical examination	%	100	100	100
	Total investment in work safety	RMB 10,000	7,319.02	6,260.12	3,366.17
	Work safety accidents	-	0	0	0
	Fatality rate per million hours worked	times/ million hours	0	0	0
	High-consequence injury rate per million hours worked	times/ million hours	0	0	0
	Recordable injury rate per million hours worked	times/ million hours	0.24	0.23	0
	Fatalities due to work-related injuries	headcount	0	0	0
	High-consequence work-related injuries	-	0	0	0
	Recordable work-related injuries	-	1	1	0
	Number of days lost to work-related injuries, fatalities, and ill health	day	17	3	0
	Number of occupational health training sessions	-	15	17	17
	Total occupational health training participants	headcount	2,741	3,120	4,061
Environmental ³	Total energy consumption	MWh	860,415	973,352.43	907,542.09
	Energy consumption per RMB 10,000 of revenue	MWh/RMB 10,000	2.08	2.43	2.94
	Total renewables consumption	MWh	6,950.00	24,631.39	21,229.00
	Diesel consumption	1,000 liters	38	39.59	34.51
	Gasoline consumption	1,000 liters	47	33.93	39.83
	Natural gas consumption	1,000 cubic meters	22,881.10	21,266.54	20,196.13
	Purchased power consumption	MWh	94,765.61	147,396.48	152,888.11
	Purchased steam consumption	TJ	1,292.44	1,804.58	1,566.65
	Paper consumption	sheet	2,517,142	171,100	177,500
	Total amount of packaging materials	ton	5,218.00	3,175.44	2,380.25
	Water withdrawal	10,000 tons	61.8	118.48	106.91
	Water discharge	10,000 tons	16	37.85	64.91

Category	Metrics	Unit	2023	2024	2025
Environmental ³	Water consumption ⁷	10,000 tons	45.8	80.6	42.00
	Total recycled and reused water ¹	10,000 tons	-	11,300	15,320
	Emission of COD ²	ton	2.73	16.45	15.51
	NH ₃ -N emissions ²	ton	0.14	0.51	0.44
	Total waste generated	ton	5,213	6,704.12	8,401.85
	Hazardous waste generated	ton	3,907	5,536.32	5,609.42
	Solid waste generated	ton	1,306	1,167.8	2,792.43
	Waste recovered	ton	0	8.54	63.95
	Total hazardous waste directed to disposal	ton	3,741.98	5,539.41	5,577.09
	Hazardous waste disposed of by incineration (with energy recovery)	ton	1,012.15	486.68	671.10
	Hazardous waste disposed of by incineration (without energy recovery)	ton	1,494.63	2,791.30	3,996.12
	Hazardous waste sent to landfill	ton	171.9	202.83	160.06
	Hazardous waste disposed of by other methods	ton	1,063.3	2,220.76	749.81
	Total non-hazardous waste directed to disposal	ton	170	952.04	3,296.33
	GHG emissions ⁸	tCO ₂ e	396,886	470,644.36	400,661.94
	GHG emissions per RMB 10,000 of revenue	tCO ₂ e/RMB 10,000	1.19	1.17	1.30
	VOCs emissions ²	ton	1.65	4.51	3.49
	Emission of sulfur dioxide ²	ton	2.15	6.12	9.25
	NOx emissions ²	ton	15.19	19.19	22.30
	Total investment in environmental protection	RMB 10,000	2,816	2,908.74	5,776.85
	Investment in energy-saving technological retrofitting	RMB 10,000	464	1,497	403.8
	Number of energy-saving technological retrofitting projects	-	40	19	7
	Power saved by installing LED lamps	MWh	0.036	15.126	1.890
	Training sessions on environmental topics	-	21	36	30
	Percentage of employees who have received training on environmental and occupational health issues	%	100	100	100
	Percentage of workplaces with environmental risk assessments	%	100	100	100

Data notes:

- 1.Certain statistical indicators were newly added in 2024. Historical data for these indicators is unavailable as it was not previously tracked.
- 2.This year's report corrects errors identified in past data.
3. In 2024, data from Sennics Co., Ltd. Lianyungang was fully incorporated. As it was still in the commissioning phase and its operations remained unstable, the relevant data fluctuated significantly compared with previous years.
4. Return to work rate=Total number of employees that did return to work after parental leave/ Total number of employees due to return to work after taking parental leave.
5. Retention rate=Total number of employees retained 12 months after returning to work following a period of parental leave/ Total number of employees returning from parental leave in the prior reporting period(s).
6. In 2023, all employees of Sennics Tai'an participated in volunteer fundraising activities, resulting in the significant rise in volunteers.
7. Water Consumption=Water Withdrawal - Water Discharge
8. GHG emissions are calculated in accordance with the Guide on *Greenhouse Gas Emission Accounting and Reporting for Chemical Productions Enterprises in China (Trial)* covering only Scope 1 and Scope 2 emissions.

GRI Content Index

Statement of use	Sennics Co., Ltd. has reported the information for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards.
GRI 1: Foundation 2021	

GRI Standard	Disclosure	Page(s)/ Notes
GRI 2: General Disclosures 2021		
2-1	Organizational details	P11
2-2	Entities included in the organization's sustainability reporting	P1
2-3	Reporting period, frequency and contact point	P1
2-4	Restatements of information	P73-78
2-5	External assurance	P86-87
2-6	Activities, value chain and other business relationships	P11, P36-40, P68-71
2-7	Employees	P63-67
2-8	Workers who are not employees	The Company respects employees across all forms of employment. However, as the relevant data is currently incomplete, such information is not disclosed in this report.
2-9	Governance structure and composition	P21
2-10	Nomination and selection of the highest governance body	P21
2-11	Chair of the highest governance body	P7, P21
2-12	Role of the highest governance body in overseeing the management of impacts	P7, P21
2-13	Delegation of responsibility for managing impacts	P7, P21
2-14	Role of the highest governance body in sustainability reporting	P7
2-15	Conflicts of interest	P21, P23
2-16	Communication of critical concerns	P5-10, P21
2-17	Collective knowledge of the highest governance body	P7
2-18	Evaluation of the performance of the highest governance body	P7, P21
2-19	Remuneration policies	P21
2-20	Process to determine remuneration	P21
2-21	Annual total compensation ratio	Disclosures are omitted due to commercial confidentiality.
2-22	Statement on sustainable development strategy	P5-6
2-23	Policy commitments	P5, P24, P36, P43, P55, P63, P68
2-24	Embedding policy commitments	P5-7
2-25	Processes to remediate negative impacts	P1, P28
2-26	Mechanisms for seeking advice and raising concerns	P1, P65
2-27	Compliance with laws and regulations	P23-28
2-28	Membership associations	P7

GRI Standard	Disclosure	Page(s)/ Notes
2-29	Approach to stakeholder engagement	P8
2-30	Collective bargaining agreements	P76
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	P9
3-2	List of material topics	P9
3-3	Management of material topics	P9-10
Economic		
GRI 201: Economic Performance 2016		
3-3	Management of material topics	P8-10
201-1	Direct economic value generated and distributed	P73
201-2	Financial implications and other risks and opportunities due to climate change	P48-54
201-3	Defined benefit plan obligations and other retirement plans	P65
201-4	Financial assistance received from government	Disclosures are omitted due to commercial confidentiality.
GRI 202: Market Presence 2016		
3-3	Management of material topics	P8-10, P63-67
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The Company upholds the principle of equal pay for equal work. Specific salary data is not disclosed due to commercial confidentiality.
202-2	Proportion of senior management hired from the local community	P75
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of material topics	P8-10, P71-72
203-1	Infrastructure investments and services supported	P71-72
203-2	Significant indirect economic impacts	P71-72
GRI 204: Procurement Practices 2016		
3-3	Management of material topics	P8-10, P68-71
204-1	Proportion of spending on local suppliers	P73
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	P8-10, P23-28
205-1	Operations assessed for risks related to corruption	P73
205-2	Communication and training about anti-corruption policies and procedures	P27
205-3	Confirmed incidents of corruption and actions taken	P28, P73
GRI 206: Anti-competitive Behavior 2016		
3-3	Management of material topics	P8-10, P23-28
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P28, P73
Environment		
GRI 101: Biodiversity 2024		
101-1	Policies to halt and reverse biodiversity loss	P56

GRI Standard	Disclosure	Page(s)/ Notes
101-2	Management of biodiversity impacts	P59-60
101-3	Access and benefit-sharing	P59
101-4	Identification of biodiversity impacts	P59
101-5	Locations with biodiversity impacts	P59
101-8	Ecosystem services	P57, P59
GRI 302: Energy 2016		
3-3	Management of material topics	P8-10, P48-54
302-1	Energy consumption within the organization	P77
302-2	Energy consumption outside of the organization	External energy statistics and estimation methods are being progressively refined. Due to data limitations, only partial information is disclosed at this stage.
302-3	Energy intensity	P77
302-4	Reduction of energy consumption	P53, P77
302-5	Reductions in energy requirements of products and services	Methodologies for measuring and estimating the energy demand of products and services are being progressively refined. Due to current data gaps, only partial information is disclosed at this stage.
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	P8-10, P55-58
303-1	Interactions with water as a shared resource	P55-57
303-2	Management of water discharge-related impacts	P55-57
303-3	Water withdrawal	P77
303-4	Water discharge	P77
303-5	Water consumption	P77
GRI 305: Emissions 2016		
3-3	Management of material topics	P8-10, P48-60
305-1	Direct (Scope 1) GHG emissions	P54
305-2	Energy indirect (Scope 2) GHG emissions	P54
305-3	Other indirect (Scope 3) GHG emissions	P54
305-4	GHG emissions intensity	P54, P78
305-5	Reduction of GHG emissions	P53-54
305-6	Emissions of ozone-depleting substances (ODS)	No ODS emissions during company operations and production processes.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P78
GRI 306: Waste 2020		
3-3	Management of material topics	P8-10, P55-60
306-1	Waste generation and significant waste-related impacts	P58
306-2	Management of significant waste-related impacts	P57-58
306-3	Waste generated	P77-78
306-4	Waste diverted from disposal	Waste transfer statistics are being progressively refined. Due to data gaps, only partial information is disclosed at this stage.

GRI Standard	Disclosure	Page(s)/ Notes
306-5	Waste directed to disposal	P78
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	P8-10, P68-71
308-1	New suppliers that were screened using environmental criteria	P69-71
308-2	Negative environmental impacts in the supply chain and actions taken	P68, P70
Society		
GRI 401: Employment 2016		
3-3	Management of material topics	P8-10, P63-64
401-1	New employee hires and employee turnover	P64
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P65-67
401-3	Parental leave	P65, P76
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	P8-10, P43-47
403-1	Occupational health and safety management system	P43
403-2	Hazard identification, risk assessment, and incident investigation	P44-46
403-3	Occupational health services	P46
403-4	Worker participation, consultation, and communication on occupational health and safety	P43-47
403-5	Worker training on occupational health and safety	P45-47
403-6	Promotion of worker health	P43-47
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P43-46
403-8	Workers covered by an occupational health and safety management system	P43
403-9	Work-related injuries	P47, P77
403-10	Work-related ill health	P45-46, P77
GRI 404: Training and Education 2016		
3-3	Management of material topics	P8-10, P65-67
404-1	Average hours of training per year per employee	P67, P75
404-2	Programs for upgrading employee skills and transition assistance programs	P65-66
404-3	Percentage of employees receiving regular performance and career development reviews	P75
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	P8-10, P63-67
405-1	Diversity of governance bodies and employees	P21, P75
405-2	Ratio of basic salary and remuneration of women to men	P75
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	P8-10, P64, P67

GRI Standard	Disclosure	Page(s)/ Notes
406-1	Incidents of discrimination and corrective actions taken	P64
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3	Management of material topics	P8-10, P65, P67
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P65, P68-70
GRI 408: Child Labor 2016		
3-3	Management of material topics	P8-10, P64
408-1	Operations and suppliers at significant risk for incidents of child labor	P64, P74
GRI 409: Forced or Compulsory Labor 2016		
3-3	Management of material topics	P8-10, P64
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P64, P74
GRI 413: Local Communities 2016		
3-3	Management of material topics	P8-10, P71-72
413-1	Operations with local community engagement, impact assessments, and development programs	P43-60, P71-72
413-2	Operations with significant actual and potential negative impacts on local communities	P43-60, P71-72
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	P8-10, P68-71
414-1	New suppliers that were screened using social criteria	P69-70
414-2	Negative social impacts in the supply chain and actions taken	P68-70
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	P8-10, P36-40
416-1	Assessment of the health and safety impacts of product and service categories	P37-40
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P74
GRI 417: Marketing and Labeling 2016		
3-3	Management of material topics	P8-10, P39
417-1	Requirements for product and service information and labeling	P39
417-2	Incidents of non-compliance concerning product and service information and labeling	P74
417-3	Incidents of non-compliance concerning marketing communications	P74
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	P8-10, P23-28
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P74

IFRS S2 Content Index

Disclosure requirements	Page(s)
Governance: Understand the governance processes, controls and procedures the entity has used to monitor, manage and oversee climate-related risks and opportunities	
The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities	P48
Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	P48
Strategy: Understand an entity’s strategy for managing climate-related risks and opportunities	
Climate-related risks and opportunities	P48-51
Business model and value chain	P48-51
Strategy and decision-making	P48-51
Financial position, financial performance and cash flows	P48-51
Climate resilience	P52
Risk management: Disclose climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects	
Processes and related policies to identify, assess, prioritise and monitor climate-related risks	P53
Processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	P53
The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity’s overall risk management process	P53
Metrics and targets: Understand an entity’s performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation	
Climate-related metrics	P54
Industry-based metrics	P54
Climate-related targets	P54

SASB Content Index

Indicators		Unit of Measure	Page(s)
Greenhouse Gas Emissions			
RT-CH-110a.1	Gross global Scope 1 emissions; Percentage covered under emissions-limiting regulations	ton (t) CO ₂ -e,%	P54
RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	/	P48-54
Air Quality			
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) Volatile organic compounds (VOCs) , (4) Hazardous air pollutants (HAPs)	ton(t)	P78
Energy Management			
RT-CH-130a.1	(1) Total energy consumed, (2) Percentage grid electricity (3) Percentage renewable, (4) Total self-generated energy	GJ /%	P77, P53
Water Management			
RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	cubic meter (m³)/ %	P77, P57
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	/	P57-58
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	/	P57-58
Hazardous Waste Management			
RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) Percentage recycled	ton(t)/ %	P78
Community Relations			
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	/	P8, P71-72
Workforce Health & Safety			
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) , (2) Fatality rate for (a) direct employees and (b) contract employees	%	P77
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	/	P43-47
Safety & Environmental Stewardship of Chemicals			
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	/	P31-34, P46
Management of the Legal & Regulatory Environment			
RT-CH-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	/	Each chapter
Operational Safety, Emergency Preparedness & Response			
RT-CH-540a.1	(1) Process Safety Incidents Count (PSIC), (2) Process Safety Total Incident Rate (PSTIR), (3) Process Safety Incident Severity Rate (PSISR)	Number/Rate	P77
RT-CH-540a.2	Number of transport incidents	/	P77

Third Party Assurance



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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Sennics Co., Ltd (hereinafter "Sennics" or "the Company") to conduct an independent third-party assurance of its 2025 Sustainability Report (hereinafter "Report"). The Report disclosed sustainability information of the Company for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

Sennics not only is responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of the Report of Sennics. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in the Report of Sennics in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of Sennics and its stakeholders concerned with the company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact).

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were also used in undertaking the work:

- GRI Sustainability Reporting Standards (GRI Standards 2021) of Global Sustainability Standards Board (GSSB)
- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures
- Sustainability Accounting Standards Board (SASB) Standards (Chemical Industry)
- Self-Regulatory Guidelines for Listed Companies No. 14—Sustainable Development Reports (Trial) and Self-Regulatory Guidelines for Listed Companies No. 4—Preparation of Sustainable Development Reports of Shanghai Stock Exchange
- United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000AP AccountAbility Principles, i.e., Inclusivity, Materiality, Responsiveness, and Impact

Methodology

Our assurance activities and procedures include:

- Inquiring management to understand the company's business and reporting processes, including sustainability strategy, philosophy and management.
- Interviewing relevant executive personnel in key functions to understand and assess the processes, systems and controls related to sustainability management, including key management procedures, stakeholder engagement processes, topic materiality assessment processes, impact assessments, etc.
- Assessing available performance information based on sampling principles and document review.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.



Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance work did neither include financial report and its financial data, nor cover other information not related to the subject matters of sustainability and beyond the scope of the assurance.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2025 Sustainability Report of Sennics and its contents are in adherence to the AA1000AP AccountAbility Principles. Its sustainability information is reported in accordance with the GRI Standards.
- Evidence of the use of relevant processes, systems and controls, and available performance information has been reviewed and assessed, and can reflect sustainability practices of the Company.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Sennics based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity: Sennics identified key stakeholder groups including shareholders, customers, government and regulatory agencies, employees, suppliers, and communities. Evidence showed that in 2025, the Company conducted stakeholder surveys on sustainability topics, and the survey analysis results provided a reference for material issue analysis. At the same time, the Company maintained daily dialogue and communication with different types of stakeholders to gather feedback, supporting the optimization of sustainable development strategies and decision-making adjustments.

Materiality: Evidence indicated that Sennics has implemented a double materiality assessment process, comprehensively considering the characteristics of the chemical industry, rating requirements, policy analysis, and stakeholder questionnaire survey results, to evaluate and prioritize identified issues from the dimensions of both impact materiality and financial materiality. The double materiality topics presented in the topic matrix included, but were not limited to, response to climate change, occupational health and safety, customer service and product quality, employee rights protection, responsible sourcing, and supply chain management. The Sustainability Committee and Board reviewed and approved the results of the topic assessment.

Responsiveness: The diversified communication channels between Sennics and its stakeholders mainly included regular information disclosure, customer service, employee training, supplier audits and training, complaints and reports, etc. The Company disclosed material issues according to the four-element framework (Governance — Strategy — Risk Management — Target Indicators). This report also disclosed historical data on key targets and progress, as well as key performance indicators (such as energy consumption and greenhouse gas emissions, water resources, pollutant emissions and waste, employee employment and rights protection (such as parental leave), responsible sourcing, and supply chain management), providing timely and appropriate responses to major concerns of its stakeholders.

Impact: Evidence showed that Sennics valued the environmental and social impact of operations, focusing on risk management in key sustainable development areas such as HSE management, carbon reduction, and sustainable procurement, while integrating operational management, compliance management, and internal control systems to manage potential major risks. The Company conducted qualitative analyses of risks, opportunities, and financial impacts on material issues (including climate change and occupational health and safety), and took corresponding measures.



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TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 20 July 2026



The Report is printed on environmental
friendly recycled paper

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