



2024

Sustainable Development Report
Mudanjiang Hengfeng Paper Co., Ltd.

Table of Contents

About the Report 04

Message from the Chairman 06

About Hengfeng

01	Company Profile	10
	Corporate Culture	11
	Development History	12
	Major Events in 2024	14
	Achievements and Honors	16

Sustainable Development Management

02	Sustainable Development Governance	22
	Communication with Stakeholders	23
	Management of Material Topics	24

Implementing Robust Systems to Lay a Solid Foundation for Corporate Governance

03	Improvement of Corporate Governance	28
	Compliance and Risk Management	29
	Compliance with Business Ethics	30
	Safeguard for Information Security	33
	Investor Relations Management	37

Keeping Technological Innovations to Provide Customers with Lean Products

04	Promotion of Technological Innovation	40
	Pursuit of Excellent Quality	42
	Enhancement of Customer Services	48

Shouldering Corporate Responsibilities to Boost the Development of the Industry

05	Leadership in Industry Co-construction	52
	Sustainable Supply Chain	54

Focus on Green Development to Build a Low-carbon Future

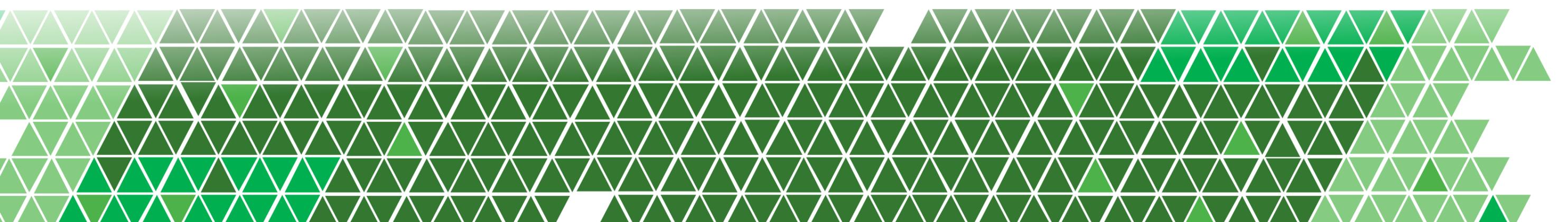
06	Enhancement of Environmental Management	62
	Standardization of Pollutant and Waste Treatment	63
	Optimization of Resource Utilization	67
	Climate Change Response	71
	Insistence on Green Operation	75
	Biodiversity Conservation	77

Prioritizing the Principle of People Foremost to Gather the Power of Goodness

07	Protection of Employees' Rights and Benefits	80
	Inclusiveness and Diversity	82
	Implementation of Welfare and Care	83
	Support for Employee Growth	88
	Occupational Health and Safety	92
	Commitment to Public Welfare	104

Appendix

Content Index	106
Inspection Statement	112
Feedback	114



About the Report

The Report represents the 2024 Sustainable Development Report (hereinafter referred to as the "Report") issued by Mudanjiang Hengfeng Paper Co., Ltd. to disclose to stakeholders the Company's concepts, methods and practices in environment, society and governance, as well as corporate operations in 2024.

Reference Standards

The standards, frameworks and principles referenced for the preparation of the Report are as follows:

- *GRI Sustainability Reporting Standards* (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB)
- *United Nations Sustainable Development Goals* (UN SDGs)
- *No. 4 Guidelines for Self Governance of Listed Companies of the Shanghai Stock Exchange - Preparation of Sustainable Development Reports*

Scope of the Report

Time Period: The Report covers our activities undertaken from January 1, 2024 to December 31, 2024, and may refer to the information of other years in order to improve its comparability and perspectiveness.

Organizational Scope: Unless otherwise specified, the management methods, cases, and data in this report are sourced from the following organizations:

- Headquarters of Mudanjiang Hengfeng Paper Co., Ltd.
- Heilongjiang Hengxiang Xince Testing Technology Co., Ltd.
- Mudanjiang Hengfeng Thermal Power Co., Ltd.

The subsidiaries, Heilongjiang Hengxiang Xince Testing Technology Co., Ltd. and Mudanjiang Hengfeng Thermal Power Co., Ltd., are located in the office building of the Headquarters of Mudanjiang Hengfeng Paper Co., Ltd. According to the Company's annual reporting practice, all data is merged with those of the Headquarters for statistical purposes.

Hubei Hengfeng Paper Industry Co., Ltd., a subsidiary, stopped operations in 2020 in accordance with the *Resolution on Closing Down the Holding Subsidiary* that was passed at the 13th meeting of the 9th Board of Directors on June 7, 2020.

Designations

To facilitate the presentation, the titles of the subjects involved in the Report are hereby explained.

Category	Company Name	Abbreviation
Parent Company	Mudanjiang Hengfeng Paper Co., Ltd.	"Hengfeng Paper", "Hengfeng", "the Company" or "We"
Subsidiaries	Heilongjiang Hengxiang Xince Testing Technology Co., Ltd	"Hengxiang Xince"
	Mudanjiang Hengfeng Thermal Power Co., Ltd.	"Hengfeng Thermal Power"

Data Source

The data presented in the Report is extracted from official documents and statistical data of the Company. Unless otherwise stated, the data in the Report are measured in metric system and the currency is denominated in Renminbi (RMB).

Reliability Statement

We promise that there is no false record, misleading statement, or significant omission, and we will assume full liabilities for its authenticity, accuracy, and completeness.

Third-party Assurance

The Company commissioned a third party to conduct an independent assurance of the content and data of the Report, ensuring that the information and data in the Report are accurate and reliable. Please refer to the "Assurance Statement" appended herein.

Access to the Report

The Report is made in Chinese and English. You can download the electronic version of the Report from our official website (www.hengfengpaper.com).

For any questions or access to further information, please contact us with the contact information below:

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Message from the Chairman

As a new year begins, everything takes on a new look. Looking back to 2024, severe challenges were posed on the cost structure and profitability of enterprises by the low growth of the global economy and the increasingly fierce competition in the special paper market. In the complex industry context, Hengfeng Paper steadfastly pursued its vision of "building Hengfeng into a world-class special paper enterprise", centered on the strategy of "Technology, Intelligence and Green", took sustainable development management as an important starting point, sought new opportunities in changes, accelerated the construction of a new development paradigm, and continuously improved the ESG governance capability and the sustainable development indicators.

This year, we implemented robust systems to lay a solid foundation for corporate government. Hengfeng Paper intensively deepened modern governance practices, improved modern corporate structures, stimulated and released internal driving force, and promoted the comprehensive optimization of governance system. We improved our risk management system and internal control system and enhanced our capability to prevent and address risks. Moreover, we scrupulously abode by the highest standards of business ethics, and kept ourselves clean and honest, striving to create a transparent, honest, fair and impartial business environment, and laying a solid foundation for the sustainable development of the Company.

This year, we kept on technological innovations to provide customers with lean products. We insisted on driving industrial upgrading with technological innovation, and our research strength and market competitiveness became increasingly strong. We jointly established the Research Institute of Digital Paper Industry Technology with Harbin Institute of Technology to create a new ecology of intelligent research and development. We focused on domestic trade, international trade, and new product trade, and mobilized domestic and international resources to improve product quality and customer services, winning international acclaim for Hengfeng.

This year, we shouldered corporate responsibilities to boost the development of the industry. We took the initiative to assume industry responsibilities and participate in the exchange of industry associations, exhibitions at home and

abroad, forums and other activities, contributing our intelligence and wisdom to the development of the industry, providing Hengfeng's solutions, and demonstrating Hengfeng's responsibility. We incorporated ESG management requirements into supply chain construction, and worked together with upstream and downstream partners in the supply chain to build the most competitive industrial eco-chain for co-creation, win-win and common development.

This year, we focused on green development to build a low-carbon future. Guided by Xi Jinping's thought on ecological civilization, we actively implemented the responsibility of environmental protection, and integrated the concept of green development with the production and business management of the Company. We persistently implemented the initiatives of energy conservation and emission reduction, increased the proportion of clean energy, and passed the certification of the Alliance for Water Stewardship (AWS), and established a solid base for sustainable development. We focused on the goals of "peak carbon dioxide emissions" and "carbon neutralization", took proactive climate actions, and passed the SBTi certification in November 2024, continuously improving our climate resilience.

This year, we laid emphasis on the principle of people foremost to gather the power of goodness. We insisted on compliant employment, prioritized the protection of employees' rights and interests, and built a competitive salary system and welfare system. We set up a scientific training system and offered a development platform for employees to fully explore their potential and realize their self-actualization, helping them to comprehensively improve their skills and moral qualities. We continued to strengthen health and safety management, enhanced overall safety awareness and protection capabilities, and strengthened the workplace safety. We practiced the business purpose of "employee satisfaction" and "social satisfaction" through a variety of recreational and sports activities, regular assistance for employees in need, and donations for education, creating a warm and responsible corporate image.

Long as the journey is, we will reach our destination if we stay the course; Difficult as the task is, we will get the job done if we keep working at it. In 2025, there are lingering uncertainties in the international political and economic situation, bringing both challenges and opportunities to the special paper industry. We will continue to implement the new development approaches, accurately seize new opportunities, face up to the new mission of sustainable development, turn the grand concept of "Hengfeng Reconstruction" into actual results, and help Hengfeng move towards a new journey of high-quality development!

01

About Hengfeng



Company Profile

Mudanjiang Hengfeng Paper Co., Ltd. is a holding subsidiary of Mudanjiang Hengfeng Paper Group Co., Ltd. which was restructured from a state-owned organization Mudanjiang Paper Mill founded in 1952, with a 70-year history and proven technologies in the research and manufacturing of special tissue paper.

The Company has undertaken all the major businesses of the Group since its foundation in 1994. The Company successfully had its shares listed and traded on Shanghai Stock Exchange in 2001, with a stock code of 600356 and a registered capital of RMB 299 million.

The Company is headquartered in Mudanjiang City, Heilongjiang Province. Mudanjiang City lies at the hinterland of the economic "Golden Triangle" surrounded by China, Russia and North Korea, and enjoys the reputation of "China's Snow Town", "Land of Milk and Honey" and "Northern Jiangnan" due to its unique regional features such as immense forest, snowland, volcano and wetland.

The Company is specialized in the research and manufacturing of special tissue paper. The main products include tobacco paper, non-tobacco paper and hemp pulp, such as cigarette paper, filter plug wrapping paper, hand rolled cigarette paper, new tobacco paper, tipping paper, home decoration paper, feather-weight wrapping paper, paper for daily use, heat transfer paper, heat transfer printing paper, and feather-weight publishing and printing paper. The total production capacity is nearly 230,000 tons of paper products and 6,000 tons of hemp pulp.

Mudanjiang Hengfeng Paper Co., Ltd. is awarded the Famous Trademark of Heilongjiang for its trademark of "Green Growth Wheel" series. "Hengfeng Paper" brand is rated as Famous Brand of Heilongjiang. The Company's products are applicable to all domestic industrial companies of China National Tobacco Corporation, as well as subsidiaries and affiliated material factories of China Tobacco Industry Development Center, with a domestic market coverage rate of 100%, accounting for more than one-third of China's tobacco market shares. Furthermore, its products boast an international presence, with a sales network spanning 41 countries and serving 183 customers, establishing a global marketing network, firmly anchored in China and extending across the Asia-Pacific region, Europe, and the Americas.

Hengfeng Paper is the first key high-tech listed company in the paper industry that is certified by the Ministry of Science and Technology and the Chinese Academy of Sciences, and rated as a national high-tech enterprise. It serves as the vice chairman membership of the China Technical Association of the Paper Industry, the deputy director membership of the Special Paper Professional Committee of the China Technical Association of Paper Industry, the executive director membership of the China Paper Industry Chamber of Commerce, and an outstanding member of the Special Paper Professional Committee of the China Technical Association of Paper Industry. Hengfeng Paper plays a crucial role in preparing national and industry standards for Chinese cigarette paper. It has been specifically appointed by China Tobacco as the production base for cigarette paper.

Communicating through paper media, embracing the world's diversity. Hengfeng Paper will make every effort to develop into a world-class company of researching and manufacturing paper products. We are committed to enhancing services for the paper and tobacco industries. We hope to work collaboratively with you to attain mutual development and create a shared future!

Hengfeng Paper has steadfastly pursued its mission of "To create a permanent, prosperous and green home". The Company aspires to "build Hengfeng into a world-class special paper enterprise". Guided by the business philosophy of "Everlasting Prosperous Business Resulting from Credibility", Hengfeng has formulated a strategic plan for "carbon neutralization and peak carbon dioxide emissions", consistently broken through industry bottlenecks, and led the way in innovative and low-carbon development.

Corporate Culture

Vision

To build Hengfeng into a world-class special paper enterprise

Mission

To create a permanent, prosperous and green home

Core Values

Innovation, Transcendence, Promise Keeping, Trustworthiness, Loyalty, Dedication, Craftsmanship, Responsibility

Tenet

Customer Satisfaction, Employee Satisfaction, Shareholder Satisfaction, Social Satisfaction

Business Philosophy

Everlasting Prosperous Business Resulting from Credibility

Overall Work Policy

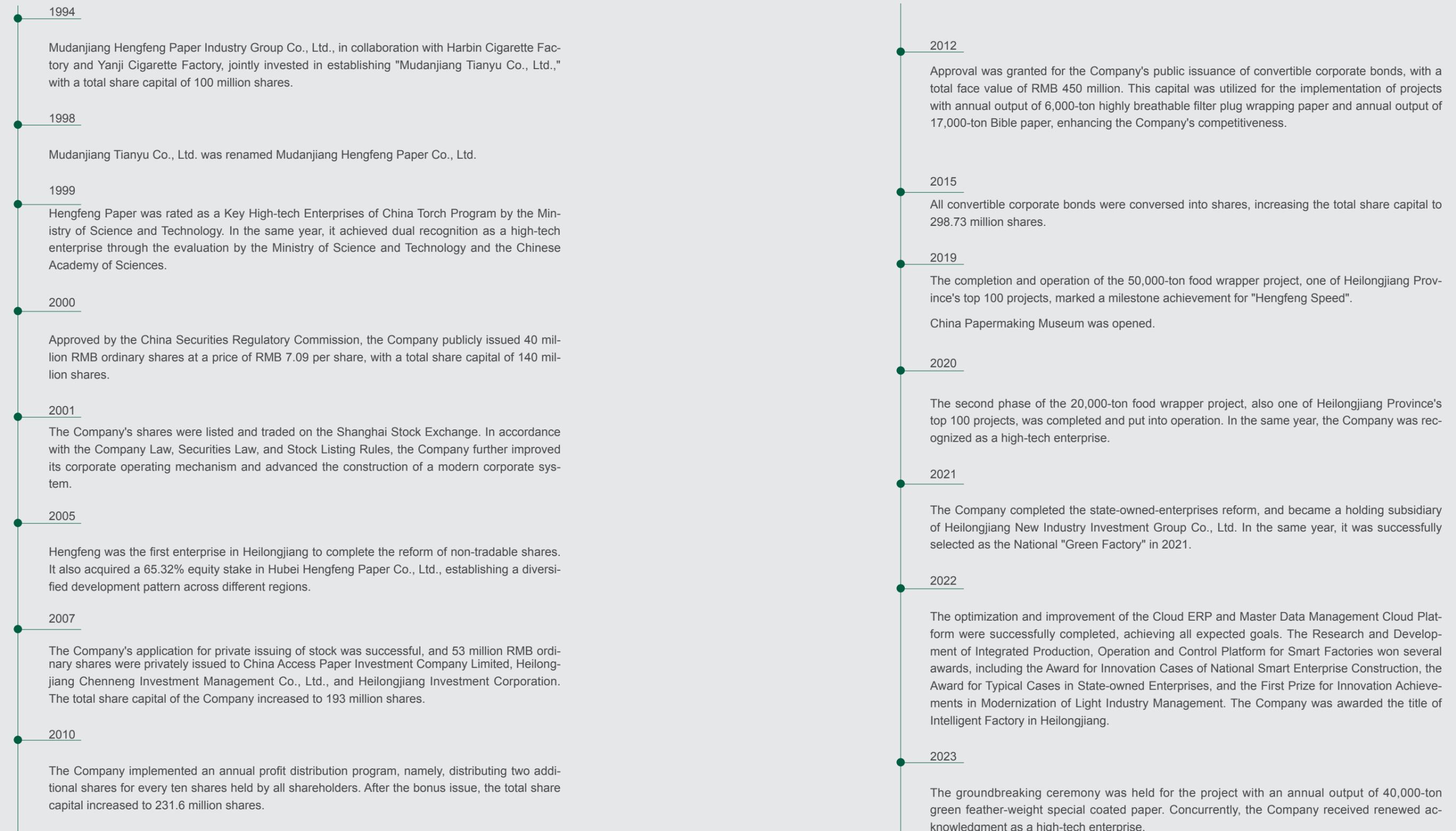
Execution Culture, Refinement Culture, Reflection Culture, Inheritance and Innovation Culture

Special Culture

Benefit Culture, Talent Culture, Safety Culture, Quality Culture, Digital Culture, Brand Culture



Development History



Major Events in 2024

In August 2024

Hengfeng College was awarded the title of Heilongjiang Special Paper Craftsman College, which is the only provincial craftsmen college in Mudanjiang City. In November, Li Jianqiang Model Worker Innovation Workshop was officially awarded as "Heilongjiang Model Worker and Craftsman Talent Innovation Workshop". The annual labor competition was fascinating, with more than 1,000 participants, and projects such as safety management debate competition and digital skills competition made their debut, helping employees improve their skills.

In 2024

Hengfeng Paper successfully held the theme event of "Twenty Years of Culture • Opening a New Chapter" and released the Hengfeng's Corporate Culture System 2.0, completing the iteration and upgrading of corporate culture in the new development period and empowering the development for a hundred years.

In November 2024

Hengfeng Paper was officially identified as the first special paper company in China to have a clear scientific carbon target in the official public announcement of the Scientific Carbon Target Initiative (SBTI), by virtue of its clear targets and implementation path of carbon emissions reduction. In the same year, Hengfeng Paper promoted the certification of the Alliance for Water Stewardship (AWS) and obtained the certification in January 2025, and reached the highest international standards in water resources management and utilization. Moreover, it steadily promoted rooftop photovoltaic, energy storage, wind power and other new energy projects, continuously optimized the energy mix, and reduced the utilization of conventional energy resources.

In 2024

Hengfeng Paper jointly established the Research Institute of Digital Paper Industry Technology with Harbin Institute of Technology to promote the digitalization research and achievement transformation of THE paper industry. It was rated Level 3 in the Data Management Capability Maturity Assessment Model (DCMM), which was the first national certification related to data capability obtained by the Company. It successfully held the Second Digital Innovation and Creativity Competition, injecting strong impetus for promoting the digital transformation and upgrading of the Company.

In 2024

Hengfeng Paper was granted 4 new authorized patents and 3 software copyrights, participated in the formulation and revision of 1 national standard and 2 industry standards, completed the system acceptance of two provincial key research and development projects, applied for approval of two industrial technology research institutes and two key new products, and achieved a total annual revenue of more than RMB 30 million in the industrialization of scientific and technological achievements. The "Papermaking Technology" team of Hengfeng Paper was selected as leading professional and technical talents in Heilongjiang Province.

In 2024

Xu Xiang, Secretary of the Party Committee and Chairman of Hengfeng Group, was awarded the title of "Model of Heilongjiang State-owned Enterprises" by the State-Owned Asset System of Heilongjiang Province. Chen Yuxiang, Han Lipeng, and Yao Jianzhi from Hengfeng Paper were awarded the title of "Model of Heilongjiang State-owned Enterprises". Xu Xiang was also appointed as a member of the Strategic Advisory Committee of the Institute of Advanced Technology, HIT.

Hengfeng Paper's project with an annual output of 40,000-ton green feather-weight special coated paper formally entered the stage of stand-alone commissioning in December 2024, and will be successfully put into production in January 2025. The T7 paper machine was successfully commissioned and put into operation smoothly. The boiler renovation project was successfully implemented, achieving the purpose of environmental protection and ultra-low emissions. The fourth round of project construction was efficiently promoted, reproducing the "Hengfeng Speed".

On November 29, 2024

Hengfeng Paper released the Proposal on Issuance of Shares to Purchase Assets and Connected Transactions, intending to purchase 100% equity of Sichuan Jinfeng Paper Co., Ltd. by issuing shares, promote the construction of a dual-base industrial platform for coordinated development with one in south and another one in north, and further solidify its leading position in the industry and international market competitiveness.

In 2024

Hengfeng Paper achieved a machine-made paper production of 218,700 tons and sales of 225,200 tons, further consolidating its leading position in the three major markets with high quality and production-sales balance. Sales in the domestic market, international market, and new product market increased by 3%, 10%, and 11% respectively compared to the previous year.

In 2024

Hengfeng Paper's operating revenue reached a new historical high and exceeded the planned profit target.

Achievements and Honors

Honorary Titles	Granted by	Pictures
"Flameless Creation Cup" Advanced Collective Medal (2021)	Office of the Fire Safety Committee of Mudanjiang Municipal People's Government	
Advanced Collective in Fire Prevention & Control and Fire Control Publicity and Education in Yangming District (2024)	Fire Safety Committee of Yangming District, Mudanjiang City	
Leading Enterprise of Technological Innovation in China's Special Paper Industry	Special Paper Professional Committee of the China Technical Association of Paper Industry China Technical Association of the Paper Industry	
Advanced Collective Medal for Social Fire Protection (2022)	Office of the Fire Safety Committee of Mudanjiang Municipal People's Government	
Innovative Cases of National Smart Enterprise Construction (2022)	China Enterprise Confederation China Enterprise Directors Association	
Pilot Enterprise of Cleaner Production in Heilongjiang Province	Heilongjiang Economic and Trade Commission Heilongjiang Environmental Protection Bureau	
Green Enterprise	Guiding Committee for Advocating Green Civilization and Creating Green Homes in Heilongjiang Province	
Innovation Achievements of National Enterprise Management Modernization in Light Industry (2022)	China Light Industry Enterprises Management Association	

Honorary Titles	Granted by	Pictures
National Enterprise with Advantage in IPRs	China National Intellectual Property Administration	
3.0 Industry Benchmark Award (2023)	/	
Excellent Enterprise Award for Digital and Intelligent Supply Chain	Organizing Committee of the 2023 National Digital and Intelligence Supply Chain Technology Summit	
Single Champion Demonstration Enterprise in Manufacturing Industry	Ministry of Industry and Information Technology China Federation Of Industrial Economics	
ESG Golden Bull Award Top 100 Enterprises	China Securities Journal	
High-tech Enterprise Certificate	Department of Science and Technology of Heilongjiang Province Finance Bureau of Heilongjiang Province Heilongjiang Provincial Tax Service, State Taxation Administration	
Chinese Management Model Innovation Award	Chinese Management Models 50+ Forum	
Innovation Achievements of National Enterprise Management Modernization in Light Industry (2023)	Innovation Achievements of National Enterprise Management Modernization in Light Industry (2023)	

Honorary Titles	Granted by	Pictures
First Prize for Excellent Achievements in National Corporate Culture (2022-2023)	China Enterprise Confederation China Enterprise Directors Association	
Paper Supply Shortlisting Enterprise of China Publishing Group (2024-2025)	China Publishing Group Co., Ltd. Beijing Zhongbanlian Printing Material Co., Ltd.	
Provincial Service-oriented Manufacturing Demonstration Enterprise (2024)	Department of Industry and Information Technology of Heilongjiang Province	
SBTi Certification	SBTi	
CDI2024 Digital Intelligent Manufacturing Award	The 10th China Digital Innovation Expo	
2024 Digital Innovation Leadership Award at the 13th China Finance Summit (CFS)	The 13th China Finance Summit (CFS)	
Heilongjiang Special Paper Craftsman College	Heilongjiang Federation of Trade Unions	

Honorary Titles	Granted by	Pictures
Innovative Cases of Smart Enterprise Construction (2024)	China Enterprise Confederation China Enterprise Directors Association	
Cases of China's Leading Digital Transformation in Light Industry (2024)	China National Light Industry Information Center	
Typical Cases of IoT Empowering Industry Development (2024)	Ministry of Industry and Information Technology	
Cases of the First Excellent IoT Applications in Heilongjiang Province	The 6th Heilongjiang Digital and Intelligent Development Conference	
Model Enterprise of Credulity Construction in Heilongjiang Province	Model Enterprise of Credulity Construction in Heilongjiang Province	
Fifty-First in the Field of Light Industry China Brand Value Evaluation (2024)	China Council for Brand Development	
Heilongjiang Research Institute of Green Feather-Weight Printing and Coated Paper Industry Technology	Department of Science and Technology of Heilongjiang Province	
Heilongjiang Research Institute of Digital Paper Industry Technology	Department of Science and Technology of Heilongjiang Province	

02

Sustainable Development Management



Sustainable Development Governance

Hengfeng Paper has regarded sustainable development as part of the company's overall strategy, been committed to the concept of sustainable development throughout the company's business development and operation, seized the sustainable development opportunities in the new era, and made positive contributions to the realization of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals of the United Nations. Hengfeng Paper has steadfastly pursued its mission of "To create a permanent, prosperous and green home", and worked with stakeholders to fulfill their responsibilities in environmental, social and governance aspects and to create sustainable development value.

The Company has established a three-level sustainable development management structure, namely "decision-making, management and implementation", and created a top-down sustainable development management system with clear powers and responsibilities. The Board of Directors, as the top decision-making level, comprehensively led the Company's sustainable development affairs, ensured the effective promotion and implementation of management measures, and provided strong support for achieving sustainable development. **In 2024, the Company maintained the validity of its CSR management system certification.**



Certificate of CSR Management System Certification

Architecture of Sustainable Development Governance

Hierarchical Function	Hierarchy Name	Responsibilities
Decision-making Level	Board of Directors	<ul style="list-style-type: none"> Lead the Company's sustainable development, and formulate the strategic plans and policies for sustainable development Manage and supervise the achievement of indicators and targets related to the Company's sustainable development Review and approve the Company's annual sustainable development report
Management Level	General Manager and Other Senior Executives	<ul style="list-style-type: none"> Identify and control risks associated with sustainable development Coordinate the Company's sustainable development efforts Promote and guide the sustainable development of all functional departments and subsidiaries Review and submit the annual sustainable development report to the Board of Directors
Execution Level	Functional Departments and Subsidiaries	<ul style="list-style-type: none"> Promote the sustainable development and take charge of the implementation of relevant programs Make statistics on, collect and report the sustainable development information Summarize the problems encountered in the sustainable development, feed them back to the management in time, and put forward reasonable suggestions Participate in the preparation of the Company's annual sustainable development report

Communication with Stakeholders

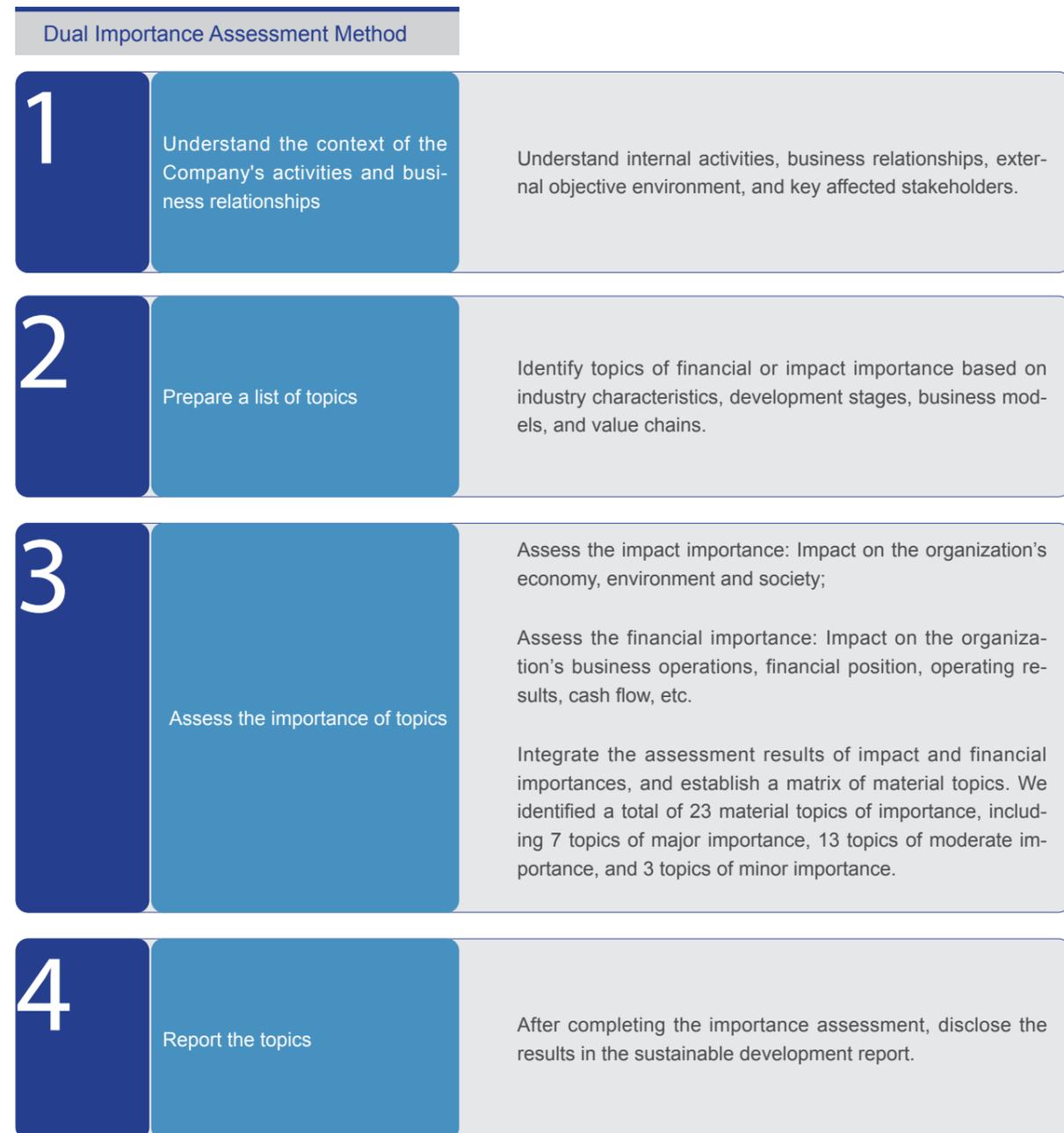
The expectations of stakeholders are the driving force of the Company to strive to improve its sustainable development. By establishing a variety of online and offline communication channels, we aim to set up a diverse and accessible communication mechanism with all parties, listen to their opinions on the Company's sustainable development, and take them as a key reference to promote sustainable development.

Hengfeng Paper has identified key stakeholders with influence on the Company based on its development strategy and operational characteristics and combined with global industry experience and practice. The primary stakeholders of the Company include shareholders and investors, government and regulatory agencies, customers, employees, suppliers, the environment, communities, media and other third-party organizations. The Company has communicated with the stakeholders via multiple communication mechanisms and channels, and took a series of measures to respond to their demands and expectations in terms of sustainable development, thus demonstrating a responsible corporate image.

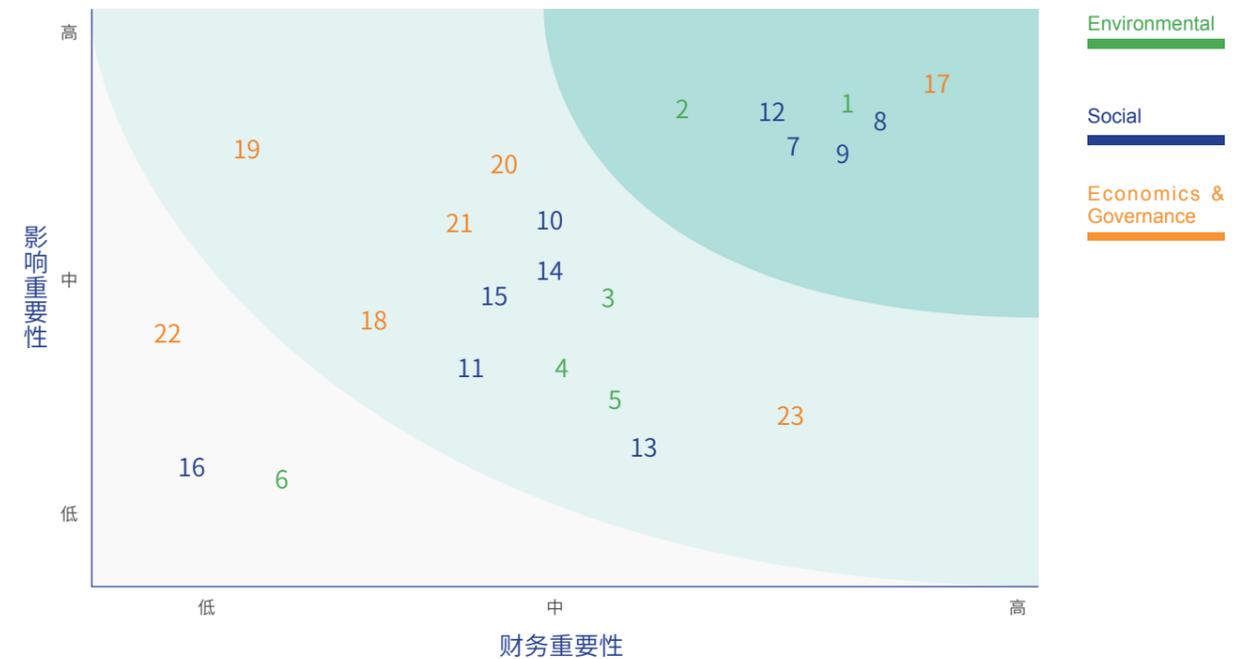
Stakeholders	Expectations and Demands	Mitigation Measures	Communication Methods
Shareholders and Investors	<ul style="list-style-type: none"> Sustainable profitability Standardization of corporate governance Information disclosure 	<ul style="list-style-type: none"> Improve business management level Optimize internal compliance management system Disclose business information in a timely and accurate manner 	<ul style="list-style-type: none"> Briefings on performance Communication via interactive platform Reception of investor visits Answer to investor hotline
Government and regulatory agencies	<ul style="list-style-type: none"> Tax payment by laws Leading in technological innovation Compliance with laws 	<ul style="list-style-type: none"> Pay the taxes in full by law Keep on technical innovation Abide by laws and regulations 	<ul style="list-style-type: none"> Seminars, symposia Government project negotiation Inspection and self-check
Customers	<ul style="list-style-type: none"> Integrity in contract performance High-quality product High-quality services Response to complain Information security and privacy protection 	<ul style="list-style-type: none"> Strictly implement contracts Intensify product quality management Improve the service level Optimize customer complaint process Protect customer privacy 	<ul style="list-style-type: none"> Daily communication with customers Customer satisfaction survey Annual and quarterly communication
Employees	<ul style="list-style-type: none"> Protection of legitimate rights and interests of employees Provision of career development opportunities Guarantee for remuneration and benefits Occupational health and safety 	<ul style="list-style-type: none"> Standardize employment and respect human rights Keep employee development channel open Protect salaries and benefits by law Provide a healthy and safe working environment 	<ul style="list-style-type: none"> Face-to-face communication Questionnaire Feedback Communication and exchange Employee satisfaction survey
Suppliers	<ul style="list-style-type: none"> Honest operation Promotion of suppliers' sustainable development Fair transactions 	<ul style="list-style-type: none"> Implement open and transparent procurement principles and processes Build a sustainable supply chain Take responsibility for raw materials procurement 	<ul style="list-style-type: none"> Phone call Interview Partial written feedback Supplier management and auditing
Environment	<ul style="list-style-type: none"> Climate change response Energy conservation and consumption reduction Pollution reduction Application of new energy sources 	<ul style="list-style-type: none"> Take climate actions Apply energy-saving technologies Control pollutant discharge Advance new energy resources 	<ul style="list-style-type: none"> Environmental information disclosure
Communities	<ul style="list-style-type: none"> Promotion of community economic development Multi-level and multi-dimensional cooperation Community public welfare 	<ul style="list-style-type: none"> Provide job opportunities Support community development Carry out public benefit activities and volunteer services 	<ul style="list-style-type: none"> Field visit Questionnaire survey Public welfare programs Voluntary activities in community
Media and third-party organizations	<ul style="list-style-type: none"> Information disclosure Interview and communication 	<ul style="list-style-type: none"> Disclose information in time Organize visits, meetings, etc. 	<ul style="list-style-type: none"> Media communication activities such as interviews and meet-and-greets Other public activities for external communication Regular reports, corporate sustainability reports

Management of Material Topics

Standardized management of material topics is the foundation and core of Hengfeng Paper's sustainable development and information disclosure. According to the *GRI Sustainability Reporting Standards (GRI)*, the *Sustainability Disclosure Standard: General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)*, and the latest disclosure standards such as regulatory guidance and guidelines issued by exchanges, we have analyzed the dual importance of material topics, including "impact importance" and "financial importance". The former refers to the impact on the organization's economy, environment, and society, while the latter refers to the impact on the organization's business operations, financial position, operating results, cash flow, etc. Ultimately, we have identified corresponding material topics and made responses in the sustainable development report.



Matrix of Material Topics of Hengfeng Paper



Dual Importance Degree	Material Topics
Major	Economic Performance Control pollutant discharge Protection of Employees' Rights and Benefits Sustainable Supply Chain Occupational health and safety Climate change response R&D Innovation
Moderate	Corporate Governance Environmental Management System Energy Management System Water Resource Management Employee Development Employee Care Intellectual Property Rights Customer Services Quality Management Compliance Management Compliance with Business Ethics Information Security Investor Relations and Shareholders' Equity
Minor	Standardized Information Disclosure Biodiversity Conservation Communities Welfare

Environmental Topics	1. Pollutant Treatment 2. Climate Change Response 3. Environmental Management System 4. Energy Management System 5. Water Resource Management 6. Biodiversity Conservation
Social Topics	7. Sustainable Supply Chain 8. Protection of Employees' Rights and Benefits 9. Occupational Health and Safety 10. Employee Development 11. Employee Care 12. R&D and Innovation 13. Intellectual Property Rights 14. Customer Services 15. Quality Management 16. Communities Welfare
Economics & Governance Topics	17. Economic Performance 18. Corporate Governance 19. Compliance Management 20. Compliance with Business Ethics 21. Information Security 22. Standardized Information Disclosure 23. Investor Relations and Shareholders' Equity

03

Implementing Robust Systems to Lay a Solid Foundation for Corporate Governance

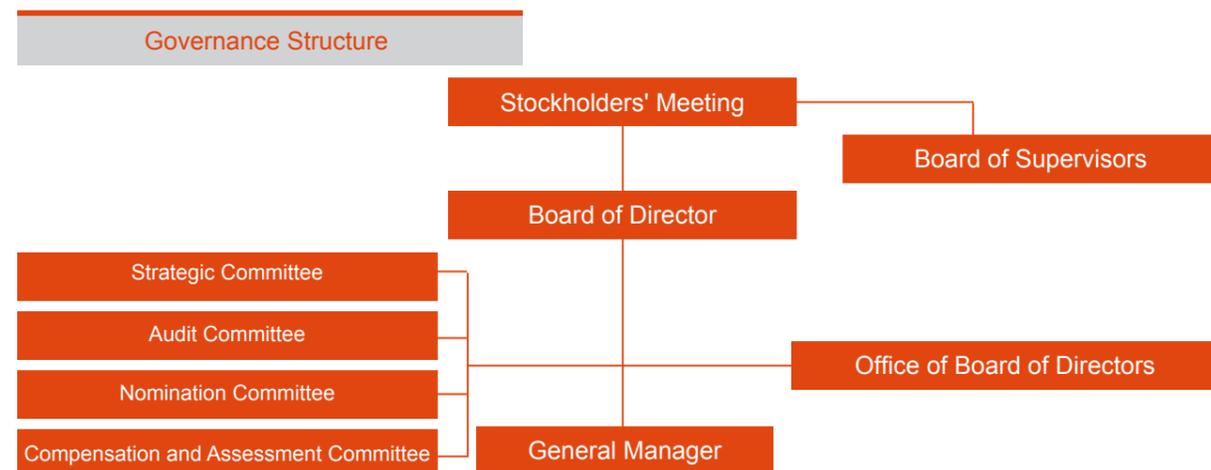


Standardized corporate governance is an important standard for measuring the comprehensive strength of enterprises, and a basic guarantee for cultivating world-class enterprises. Hengfeng Paper has constantly improved the governance system, realized modernization of governance capabilities, persevered in high standards of business ethics and compliance requirements, and maintained a fair and transparent business ecosystem. We have safeguarded the Company's information, ensured the compliant use and management of information of employees, customers, suppliers and other partners, protected the legitimate rights and interests of investors, maintained positive interaction with investors, and standardized information disclosure.

Improvement of Corporate Governance

Governance System

The Company has strictly complied with the requirements of laws, regulations, and normative documents on the governance of listed companies, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Corporate Governance Guidelines for Listed Companies*. We have continuously improved the corporate governance structure centered on Shareholders' Meeting, Board of Directors, Board of Supervisors, and General Manager, and formed a governance mechanism of "statutorily defined powers and responsibilities, transparent rights and responsibilities, coordinated operation, and effective checks and balances", laying a solid organizational foundation for the Company's standard operation and healthy development.



Construction of Board of Directors

The Board of Directors, responsible to the Shareholders' Meeting, implements the resolutions of the Shareholders' Meeting. It is the decision-making body of the Company's business management, making decisions on the Company's development goals and major business activities. The Company formulates the Rules of Procedure of the Board of Directors, clarifying the terms of reference of the Board of Directors and standardizing the decision-making of the Board of Directors, in order to ensure the scientific decision-making and work efficiency of the Board of Directors. All directors have conscientiously fulfilled their duties of loyalty and diligence, participated in the daily affairs of the Company with a responsible attitude, got on with their jobs in strict accordance with the Rules of Procedure of the Board of Directors, the Articles of Association of the Company and the working rules of the special committee, and participated in the training organized by the supervisory authorities, in order to continuously improve the governance capacity of the Board of Directors.

In 2024

the Company held a total of **8** board meetings

Independence	Develop the Working System of Independent Directors and the Working System of Special Meetings of Independent Directors, give full play to the functions of independent directors in the Board of Directors in terms of participation in decision-making, supervision and check-and-balance, and professional consultation. As of the end of the reporting period, the Board of Directors had 3 independent directors, effectively ensuring the rationality and fairness of decision-making.
Diversity	Diverse board members brought broader perspectives and richer knowledge resources to the Company. The board members are diversified in terms of gender, specialty and background, which helps to make more comprehensive and objective decisions and plan the development direction of Hengfeng Paper.

Compliance and Risk Management

Hengfeng Paper has established a concept of compliance development with high standards, and improved the capability of risk prevention and resolution by setting a perfect risk management system and an internal control system, to realize compliant operation and promote the sustainable and healthy development of the Company.

Compliance Management

The Company has actively implemented compliance management, built a closed-loop management mechanism (ex ante prevention, in-process control and ex post monitoring), embedded compliance review as a mandatory procedure in the business management process, and carried out the organized and planned activities related to compliant business management.

Ex ante prevention	In-process Control	
Classify and identify compliance risks	Strictly abide by laws, regulations and rules	Ex post monitoring
Set up an information submission and approval mechanism	Set up a layered approval mechanism	Continuously monitor the compliance of corporate governance
		Conduct regular inspection and rectification

On the basis of actively studying and understanding various regulatory policies, laws and regulations, we promptly revised the work rules and management methods and refined work processes to comprehensively improve the Company's governance compliance. In addition, the Company regularly conducts self-inspections, that is, all departments collaborate with each other to verify the compliance of corporate governance, and then optimize and improve relevant processes according to the actual conditions of the Company.

For the construction of compliance culture, the Company has incorporated compliance training into its annual training plan, did a good job in building a regular and diversified compliance culture, and strove to strengthen the compliance awareness of all employees. In 2024, the Company carried out activities to publicize laws, regulations and management methods through a combination of online and offline channels, explaining the laws, regulations and management methods of the Company that were updated in recent years, conveying compliance concepts and requirements to all employees, raising the importance of compliance governance among them, and ensuring that they understood and complied with the relevant laws, regulations and rules of the Company.

Risk Management

Taking its business strategies as the guidance, Hengfeng Paper has formulated risk management plans, evaluated the risks faced by the Company, sorted out the risk events of various business processes, and developed specific management strategies and solutions to effectively resolve major risks. The Company has set up three lines of defense for risk management, forming a three-dimensional risk management system, effectively ensuring the counterbalance and constraint of risk management rights and responsibilities, and improving the efficiency and effect of risk management.

Line of Defense	Main structure	Duties
First Line of Defense	Business department	Manage the risks in the department and relevant business areas
Second Line of Defense	Risk Management Department	Establish a management system and construct a management framework
Third Line of Defense	Audit and Supervision Department	Review the effectiveness of the Company's risk management and supervise the implementation of improvement measures.

The Company has performed internal control and improved the quality of risk management according to the provisions of the Basic Norms for Enterprise Internal Control and its supporting guidelines, as well as other regulatory requirements for internal control. At the end of the reporting period, the Company evaluated the effectiveness of internal control on the basis of daily and special supervisions of internal control, covering risk areas such as organizational structure, development strategy, human resources, social responsibility, corporate culture, comprehensive budget and financial activities. No major, significant or general deficiencies were identified in internal control.

In 2024, the Company's internal environment was favorable, internal control measures were effective, and risk management responsibilities were fully implemented.

High-risk Sectors Concerned by Hengfeng Paper	Concerned Sectors
<ul style="list-style-type: none"> Financial activities Purchasing business Asset management Risk Assessment Investments abroad Internal supervision 	<ul style="list-style-type: none"> Production management Distributing business Contract management The Company's internal control over its subsidiaries External guarantees and connected transactions Information disclosure, etc.

Compliance with Business Ethics

Hengfeng Paper has always adhered to high standards of business ethics and required all employees to regularly promote the construction, monitoring, inspection and training of anti-corruption and anti-bribery systems on the basis of passing the certification of the anti-bribery management system. It has formed an effective mechanism of having institutions to govern power, work and personnel, and made integrated efforts to ensure that employees do not have the audacity, opportunity or desire to become corrupt, do not test the red line, and conduct their business in an honest and fair way.

Clean Governance and Anti-corruption

It is our working principle to combat corruption and uphold integrity. We adhere to applicable laws and regulations, as well as the guidelines for clean governance and anti-corruption, apply a zero-tolerance policy on corruption, continue to purify the political ecosystem by risk identification, system construction, training and publicity and thematic actions, promote the improvement of Party conduct and clean government, and deliver more solid outcomes in the party conduct, clean governance and anti-corruption efforts.

Hengfeng Paper sets up a Discipline Inspection Office under the Discipline Inspection Commission. The Office remains independent when exercising the functions of discipline inspection and supervision, administrative supervision and auditing, and free from undue interference from other departments or external forces, providing a strong guarantee for promoting the institutionalization and standardization in the construction of Party conduct and clean government. We have made consistent efforts to tackle pointless formalities, bureaucratism, hedonism and extravagance, gave full play to the examples, and comprehensively strove to combat corruption, continuously optimized and protected the environment of officers and entrepreneurs. The Company both is strict with its employees and cares for them, places equal emphasis on providing incentives and imposing constraints, strengthens the requirements of strict self-discipline, enhances the ability



Certificate of ISO 37001 Anti-Bribery Management System

and quality of discipline inspection cadres, and prevents the occurrence of corruption incidents. In addition, we closely focus on key areas, key links, key positions, and key minorities, and fully strengthen Party organizations at all levels to exercise the principal and oversight responsibilities for full and rigorous Party self-governance.

In 2024, there were no cases of corruption in the Company, providing strong support for the sustainable and healthy development of enterprises and the preservation and appreciation of state-owned assets.

Anti-bribery Targets		
S/N	Hierarchy	Target
1	Company	0 bribery incident
2	Company	100% disposal rate of bribery incidents

Initiatives for Clean Governance and Anti-corruption

System support	Maintain the ISO 37001 anti-bribery management system certificate valid.
Institutional support	<ul style="list-style-type: none"> Talks Institution on Party Conduct and Clean Governance Management Institution for Clean Governance Files of Cadres Eight Prohibitions for Changing Work Style Eight Prohibitions on Clean Governance and Self Discipline of Leading Cadres Measures for the Implementation of the Responsibility System for Building Party Conduct and Clean Governance Regulations on Anti-bribery, Anti-corruption, Anti-Fraud and Whistleblowing Management, etc.
Organizational support	<ul style="list-style-type: none"> The Company set up a discipline inspection office and appoint disciplinary inspection commissioners, undertaking disciplinary inspection and supervision duties respectively; The Company organized the disciplinary inspection commissioners and conducted discipline inspection training to enhance their supervisory capabilities.
Supervision over clean governance	<ul style="list-style-type: none"> The Company strengthened the supervision of subsidiaries and implemented a quarterly reporting system for the heads of subsidiaries; The Company signed the Letter of Commitment on Anti-Bribery and Anti-Corruption for Suppliers with the suppliers and the Letter of Commitment on Anti-Bribery and Anti-Corruption for Employees with the employees; The Company promoted the identification of corruption risks in key departments one by one, and formulated preventive and control measures; The Company organized the cadres at middle level and above to sign the Responsibility Agreement for Party Conduct and Clean Governance Construction.
Incorruptibility training	<ul style="list-style-type: none"> The Company established a pattern of building a clean-fingered culture with unified leadership of the Party committee, organization and coordination of the discipline inspection commission, and active participation of all cadres and employees; We updated the publicity board of creative content of clean-fingered culture on the fence of Hengfeng Road, and scrolled the integrity slogans on the Company's big screen; In 2024, we held activities such as "Party Conduct and Clean Governance Construction Conference", "Party Discipline Learning and Education", and "Strengthening Warning Education and Maintaining Integrity", creating an atmosphere of "honesty, integrity and self-discipline".

Case Hengfeng Group held the 2024 Party Conduct and Clean Governance Construction Conference.

In January 2024, Hengfeng Group held the 2024 Party Conduct and Clean Governance Construction Conference. This conference summarized the clean government construction in 2023, and made arrangements for the key work of clean government construction in 2024. We further strengthened supervision and inspection, promoted integrity and self-discipline, and corrected various problems with a resolute attitude and targeted measures, so as to form a united, serious, clean and healthy business atmosphere at the group level.



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Performance in Business Ethics

Indicator	Unit	2024	2023	2022
Number of confirmed corruption incidents	Each	0	0	0
Number of business ethics training sessions	Time	5	3	4
Coverage rate of business ethics training (senior management)	%	100	100	100
Percentage of all sites undergoing internal assessments or reviews for specific business ethics issues	%	100	100	100

Complaint and Whistleblowing Mechanisms

To strengthen the internal and external control of business ethics and ensure the effective implementation of responsible business conduct, the Company has provided smooth whistleblowing channels for stakeholders such as employees, suppliers and customers, set up sound whistleblowing procedures, and encouraged relevant parties to report violations of business ethics. Relevant parties can report by telephone, email, letter, interview and other forms, and the Company verifies and investigates them through relevant procedures. For those who reports with real names, regardless of whether an investigation is initiated or not, the disciplinary inspection department provides feedback to the whistleblower. If a case is not placed on file, they provide feedback and explain the reasons to the whistleblower within 10 workdays. For cases opened for investigation, the results of the investigation are provided within three months.

Reporting Channel
Hotline: 0453-6886698

The Company has strictly implemented the whistleblower protection mechanism, promised to strictly keep confidential the personal information and materials provided by whistleblowers, effectively protected their legitimate rights and interests, and prohibited any retaliation against them. Individuals who disclose whistleblower information or retaliate against whistleblowers will be subject to penalties such as dismissal or termination of labor contract. Those who violate the law will be transferred to judicial authorities for lawful handling.

Performance in Whistleblowing Handling

Indicator	Unit	2024	2023	2022
Number of whistleblowing cases	Each	0	0	0

Safeguard for Information Security

Information Security Management System

Information security is an inevitable requirement in the digital era to ensure the legal and compliant operation of enterprises and maintain business stability. We have kept strictly to the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and other laws and regulations, and continually improved the construction of information security management system. We establish a professional information security management team, set up a digital management center, effectively implement the responsibilities of information security and privacy protection from the supervisory, management and execution levels, and regularly conduct internal reviews and third-party audits on the operation of the information security system.

In 2024

we maintained the ISO/IEC 27001 information security management system certificate valid, and passed the DCMM standard implementation assessment at the robust level (Level 3) (DCMM: Data Management Capability Maturity Assessment Model).



Certificate of ISO/IEC 27001 Information Security Management System

三、稳健级

66. 广东大唐国际雷州发电有限责任公司	甲方
67. 哈尔滨电机厂有限责任公司	甲方
68. 哈尔滨滨田大鵬工业股份有限公司	甲方
69. 黑龙江飞鹤乳业有限公司	甲方
70. 牡丹江恒丰纸业股份有限公司	甲方
71. 深圳市小满科技有限公司	甲方
72. 中煤科工开采研究院有限公司	甲方
73. 德州实华化工有限公司	甲方

5

Rating Announcement

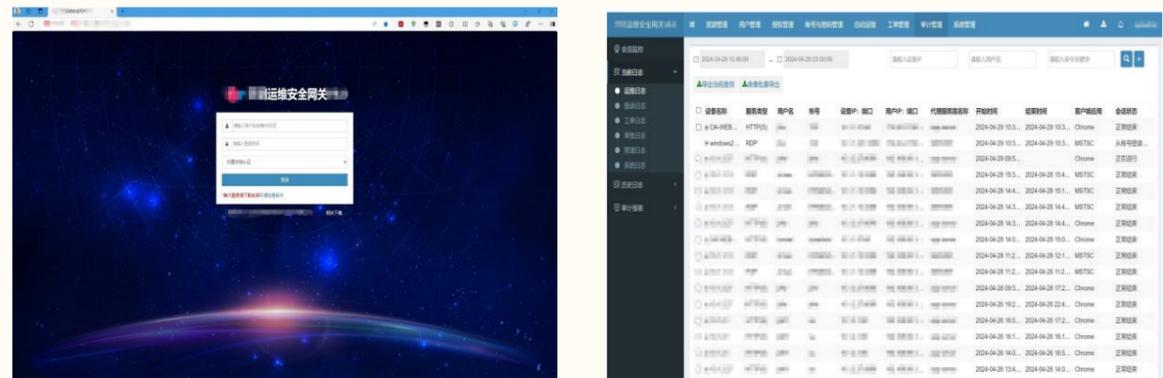
Information Security Management Measures

Hengfeng Paper has identified and evaluated information security risks based on the characteristics of the Company's information security, the types of information assets, and the framework of information security management system, in order to determine the threats and vulnerabilities of the information system, and prepare appropriate protective measures and corrective actions to prevent and reduce information security risks.

The Company has carried out reinforcement and renovation in accordance with the standards of network security level protection and the analysis of existing problems of the internal network security. It has clarified and implemented the technical requirements for security protection from the aspects of secure computing environment, secure area boundaries, secure communication network, and security management center. We also form an organic security protection system with security protection measures in different regions and at different levels, and deploy advanced terminal security management system, Internet behavior management system, IDS intrusion detection system, VPN, bastion host, network gateways, firewalls, and other information network security management systems and hardware facilities to ensure information security. The storage server is supported by RAID technology, enabling secure data backup. In addition, a UPS battery pack is provided in the central computer room to ensure sufficient power supply and prevent data loss caused by unexpected power failure.

Case The Company successfully deployed the bastion host management system.

In order to address the increasingly complex network security risks in the context of digital equipment, the Digital Management Center decided to adopt a bastion host management system to provide support and guarantee after scientific analysis. By employing a variety of technical means, the bastion host management system achieved the centralized supervision, hazard identification and risk protection for the operations of servers, databases and other equipment within the Company's network, ensuring that the network and data were free from invasion and damage.

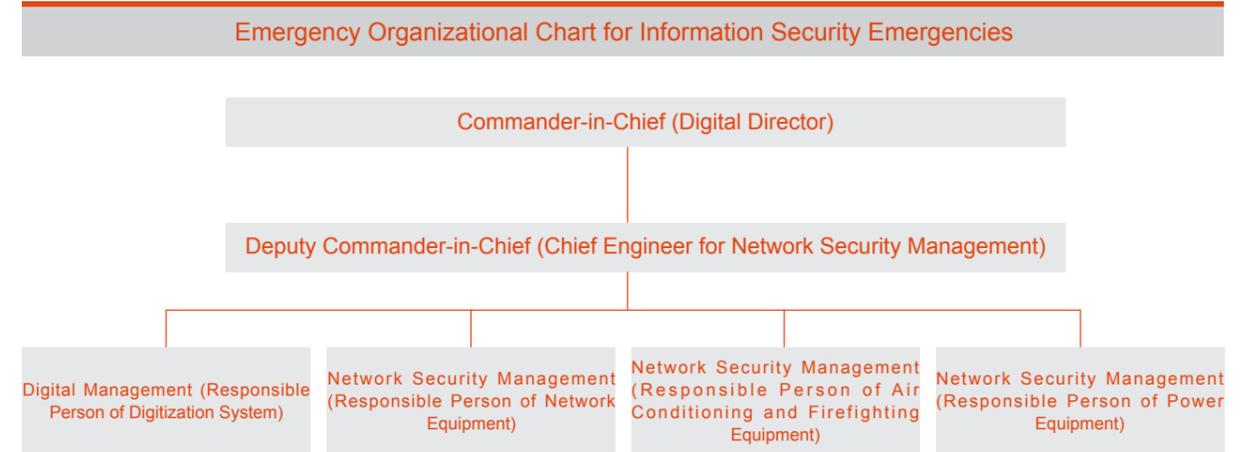


Case The Company successfully deployed the next-generation protective wall system for "collaborative protection".

In 2024, the Company successfully deployed the next-generation firewall system to further strengthen network security management and technical protection. The system adopted a new generation of independently developed embedded secure operating system, which could fully satisfy the Company's needs in various scenarios such as network internal, multi-branch interconnection, IPv6, traditional data center, and cloud data centers. We built a five-in-one threat perception and protection system that integrated "network, identity, application, content and threat", achieving self-learning of behavioral baseline, massive log aggregation and other functions to enable lean operation and maintenance management and reduce the operation and maintenance costs.

The Company's network is connected through a three-layer network architecture consisting of core layer, aggregation layer, and access layer. All terminal devices are configured with fixed IP addresses and virtual VLAN for access control, greatly enhancing network security while avoiding cyber storm.

We have developed emergency plans for unexpected information security incidents such as the *Emergency Plan for Computer Room in Digital Management Center* and the *Emergency Plan for MES Server Reconstruction*, established a sound mechanism for response to and emergency treatment of information security incidents, and regularly organized emergency drills to test the processing and coordination capabilities of emergency response departments by simulating real scenarios, verify the feasibility and effectiveness of emergency plans, evaluate the adequacy and deployment efficiency of the emergency resources, and safeguard the information security of the Company.



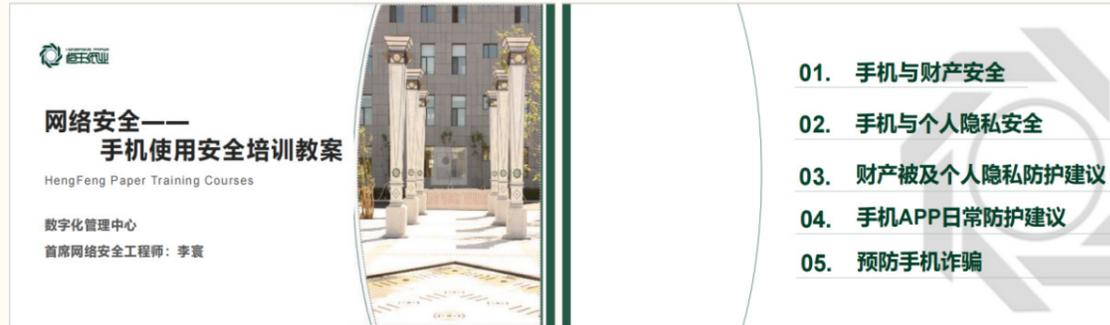
Case The Digital Management Center conducted an emergency drill on "downtime data recovery of simulation MES server".

In May 2024, in order to improve emergency response and processing capabilities, the Digital Management Center conducted an emergency drill on "downtime data recovery of simulation MES server". After the simulation server broke down and sent an alarm, the person in charge of the digital system arrived at the server room as fast as possible, then activated the emergency plan for the digital system based on the on-site incident situation, and used the backup data to recover the data of the MES server, minimizing the damage and losses caused by sudden information security incidents.

The Company has strengthened the training of employees' information security awareness and created an atmosphere where "it is everybody's duty to guard information security". The Digital Management Center has conducted a great varieties of information security training activities to help employees understand the basic concepts of information security, relevant laws and regulations, basic emergency response methods, etc., so as to build up their sensitivity to information security, improve their information security skills, and reduce the risk of information security.

Case The Digital Management Center conducted a training themed by "Network Security - Mobile Phone Usage Security".

In October 2024, in order to enhance employees' awareness of information security, the Chief Network Security Engineer of the Digital Management Center conducted a training themed by "Network Security - Mobile Phone Usage Security". The training covered mobile phone and property security, mobile phone and personal privacy security, and other contents. The Engineer combined theoretical knowledge and practical cases in the training to enhance the effect. Moreover, the trainees not only understood the basic principles and concepts of network security, but also gained a deeper understanding of the applications of these theories in practical work through practical cases.



Training Courseware



Training Site



Performance in Information Security

Indicator	Unit	2024	2023	2022
Number of confirmed information security incidents	Each	0	0	0

Investor Relations Management

Information Disclosure

Hengfeng Paper is committed to strengthening communication with shareholders and potential investors through high-level information disclosure, and constantly improving the transparency of the Company. According to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Administrative Measures on Information Disclosure by Listed Companies*, the *Self-regulatory Guidelines No. 1 for Listed Companies of the Shanghai Stock Exchange - Standardized Operation*, the *Self-regulatory Guidelines No. 2 for Listed Companies of the Shanghai Stock Exchange - Management of Information Disclosure Affairs*, and other laws, regulations, and regulatory measures, the Company has formulated the *Management System for Information Disclosure*, fulfilled the obligation of continuous information disclosure in good faith, demonstrated the principle of open, fair and just treatment of all shareholders, and ensured the authenticity, accuracy, completeness and timeliness of information.

In 2024, Hengfeng Paper, in strict accordance with the regulations, disclosed major information that might have a significant impact on the price of the Company's securities and its derivatives and that investors had not yet learned about, as well as information required to be disclosed by the securities regulatory authorities, to the public within the prescribed time, on the prescribed media and in a prescribed manner, in order to safeguard the legitimate rights and interests of shareholders, creditors and stakeholders of the Company.

Investor Communication

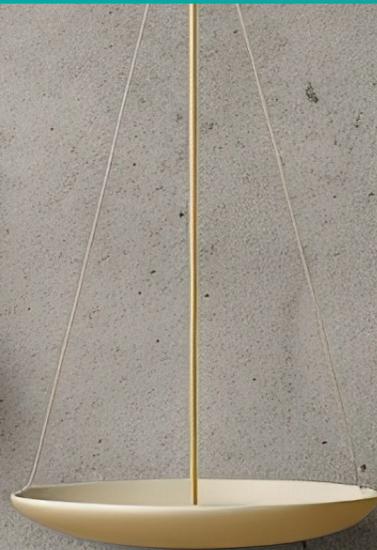
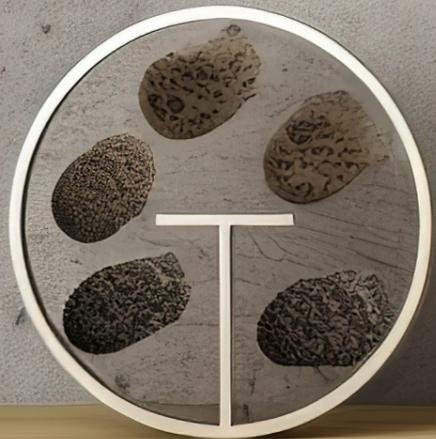
The Company has formulated the Investor Management System, followed the principles of "Compliance, Equality, Proactivity, Integrity and Trustworthiness", strengthened information communication with investors, and established a long-term, stable and benign relationship with them. The Company has set up a variety of channels to facilitate the daily communication with investors, including announcement, shareholders' meeting, E-interactive platform, phone call, etc.

Investor Communication

S/N	Communication Methods
1	Convene performance briefings, where the General Manager, Chief Financial Officer, and Secretary of the Board of Directors communicate and exchange ideas with investors regarding the Company's operating results and financial status.
2	Establish regular communication with investors through the hotline, SSE e-Interactive Platform and other channels, respond to their questions in timer, and effectively safeguard their right to consultation and information.

04

Keeping Technological Innovations to Provide Customers with Lean Products



Promotion of Technological Innovation

Hengfeng Paper has always regarded technological innovation as the primary engine driving force to promote high-quality development, taking the lead in shouldering the main responsibility for technological innovation of state-owned enterprises and building a more dynamic ecosystem for sci-tech innovation. The Company has made more efforts to research and development, accelerated the transformation of technological achievements, and transformed innovative achievements into visible "productivity".

R&D Construction

The Company has continuously explored new initiatives and mechanisms for R&D construction, and promoted systematic reforms on the construction of scientific research teams, the industry-university-research integration, and other elements, providing inexhaustible innovation power for cultivating New quality productive forces.

R&D team establishment

The Company has integrated talent development with corporate development strategy, set up a technology center, and established a scientific research team with complete specialties and strong technical strength, which can provide comprehensive technical support and innovative solutions for the R&D needs of different products. The core members are all senior engineers with more than 10 years of experience in R&D and production. They are mainly specialized in the R&D of safe and eco-friendly featured products, and dominantly in the R&D of paper for tobacco industry.

The Company has released the Implementation Plan for Promoting the Innovative Development of Hengfeng Paper, the Incentive Plan for Innovation and Efficiency Enhancement of Hengfeng Paper and the Fifteen Articles on Innovative Development of Hengfeng Paper, formulated the Work Goals and Implementation Plan for Innovative Development in 2024, implemented an accurate, flexible, standardized and efficient distribution of rewards for innovation and efficiency enhancement, linked performance evaluation with technological project initiation, project progress, innovation achievements and achievement transformation, further stimulated employees' innovation enthusiasm, and created a cultural atmosphere that encouraged and supported innovation.

In 2024

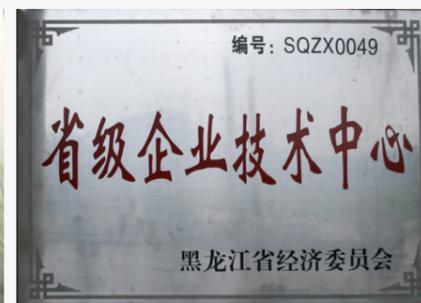
the "papermaking technology" team of Hengfeng Paper was selected as leading professional and technical talents in Heilongjiang Province.

Industry-academia-research cooperation

The Company is committed to building a sound industry-academia-research cooperation system, kept close cooperation with universities and research institutions to successfully achieve the deep integration of technological innovation and industrial development, injecting strong impetus into continuous progress. We have a postdoctoral research center, a provincial special paper engineering technology research center and a provincial enterprise technology center.



Postdoctoral Research Center



Provincial Enterprise Technology

In 2024, the Company signed a joint construction agreement with Harbin Institute of Technology and Northeast Forestry University for "Heilongjiang Research Institute of Digital Paper Industry Technology" and "Heilongjiang

Research Institute of Green Feather-Weight Printing and Coated Paper Industry Technology" respectively, and completed the online filing work of the Research Institute of Industry Technology. As of the end of 2024, the Company has established long-term and stable cooperation relationships with universities and institutions such as Northeast Forestry University, Qilu University of Technology, Dalian University of Technology, South China University of Technology, and Tianjin University of Science and Technology. It has also strengthened cooperation with China National Pulp and Paper Research Institute and related customers, and constantly promoted the development of new products and the application of new technologies, in order to provide higher-quality and greener products and services.



Joint Innovation Platform



Strategic Cooperation Agreement Signed with China National Pulp and Paper Research Institute

Case

Hengfeng Paper worked with Harbin Institute of Technology to create a new era of digital paper industry.

In May 2024, Hengfeng Paper and Harbin Institute of Technology jointly established the Research Institute of Digital Paper Industry Technology and signed the *Agreement on Co-construction of Research Institute of Digital Paper Industry Technology* and the *Contract on Data Application and Industrialization Project in Full Life Cycle of Intelligent Research, Inspection and Management*, aiming to break through the traditional research and development mode, jointly build Hengfeng Intelligent R&D System for the era of intelligent manufacturing, and work together to create a source of major innovation achievements.



Intellectual Property Rights

Intellectual Property Rights (IPR), as the most important intellectual asset of the Company, are an important source for promoting technological innovation and enhancing core competitiveness. The Company has strictly complied with laws and regulations such as the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Specification on Enterprise Intellectual Property Management, formulated the Patent Administration Measures, constantly improved its capability in the creation, application, protection and management of intellectual property, and established an intellectual property system that matched the Company's development strategy. In 2024, the Company made a number of achievements in the field of intellectual property.

In 2024, 2 technological achievements were registered.

- A production method for feather-weight Bible paper
- A production method for high-transparency flame retardant tipping base paper

In 2024, 4 new authorized patents and 3 software copyrights were granted.

- A system and method for treating tail water and clean water of paper machine (invention patent)
 - An eco-friendly aluminum free inner liner for moisturizing cigarette (invention patent)
 - A paper permeability test device (utility model patent)
- A diagonal braced clamping device for pulp packing and unstacking at fixed position (utility model patent)
- Hengfeng Paper Supply Chain Synergy Intelligent Warehouse Control Platform V1.0 (software copyright)
 - Hengfeng Paper Integrated Automatic Warning Platform V1.0 (software copyright)
 - Hengfeng Paper Integrated Insight Platform V1.0 (software copyright)

In 2024, two products of Hengfeng Paper were recognized as provincial key product.

- Wrapping paper for heating section of heated non-burning tobacco (low-risk and harm-reducing product)
 - Tipping base paper for flexographic cigarette

Case The Company organized a kickoff meeting for intellectual property publicity campaign.

In April 2024, on the occasion of the 24th World Intellectual Property Day, the Engineering Department of the Company organized the relevant personnel of the Technology Center, the Digital Management Center and the Quality Testing Department to hold a kickoff meeting for intellectual property promotion campaign with the theme of "Transformation and Application of Intellectual Property Rights for High-quality Development". At the meeting, the *Notice of Heilongjiang Intellectual Property Administration on Organizing and Carrying out the Provincial Intellectual Property Publicity Week in 2024* was publicized and implemented, including the relevant laws and regulations on intellectual property and the policies and measures conducive to the development of intellectual property, so as to further enhance the intellectual property awareness of key staff, strengthen the application and protection of intellectual property, and create a good atmosphere for publicity.



Innovation Achievements

Hengfeng Paper is mainly engaged in the production and sales of special paper and pulp, fostering on the innovative technologies in tobacco industry paper, new tobacco-related technologies, new green packaging products, new materials for tobacco use, and the application of bamboo pulp. The Company has also accelerated the scientific development of products and the transformation of technological achievements, strategically positioning the Company in emerging industries while actively pursuing development in new directions within the industry. The Company attains a seamless integration of technological innovation with production, positioning itself at the forefront of industry development in emerging domains.

Key research interests

- Develop aluminum-free cigarette packaging materials, coated and eco-friendly liner paper
- Advocate for the substitution of paper for plastics, achieve success in the development of green fiber-based products like straw base paper, straw packaging paper, food packaging paper, and medical paper
- Apply and promote high-carbon sequestration plant fibers, and outline the green trajectory for tobacco products and new offerings in the future.

Case Hengfeng Paper was shortlisted for the China Tobacco Material Technology Innovation Alliance.

In April 2024, Hengfeng Paper was shortlisted for the China Tobacco Material Technology Innovation Alliance with its strong innovation capabilities and held the awarding ceremony. This shortlisting creates favorable conditions for both parties to achieve resource sharing, achievement co-creation, talent co-education, and win-win development, laying a solid foundation for establishing a leading innovation force system.



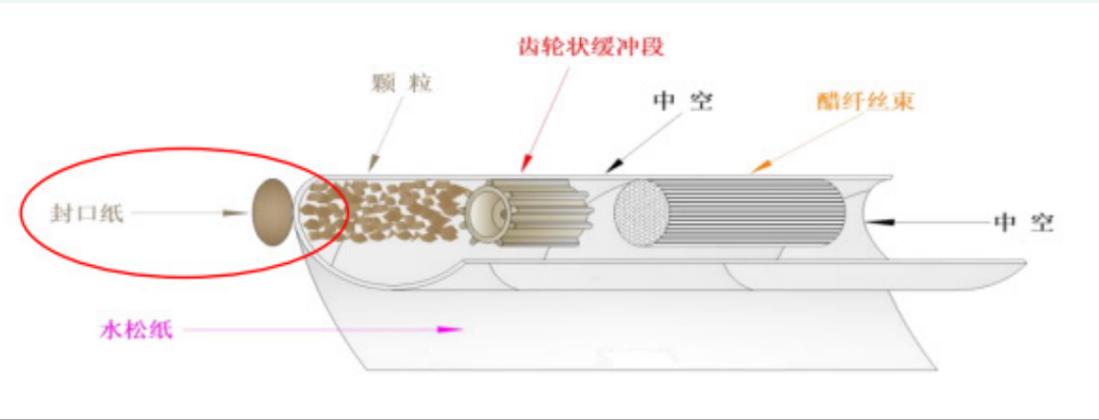
Case The Company has successfully developed the heat transfer paper with the lowest weight (25g/m2) on the market.

With high sensitivity to market trend and prospective development capabilities, the Company has successfully developed the heat transfer paper with the lowest weight (25g/m²) on the market. In addition to guaranteeing the quality, this technology reduces the material cost, greatly enhancing the added value of the product, meeting the customer's pursuit of cost-effectiveness, and bringing significant economic benefits to the Company.



Case The Company successfully developed a new sealing paper product.

With the continuous development of the heated non-burning e-cigarette market, the Company has successfully developed a sealing paper product, which is mainly used at the end of non-burning e-cigarette cartridge, and has a sealing effect to prevent the tobacco flake or particle from falling off, which may affect the appearance and performance of the cartridge. This product was favored by customers with its innovative features and design, and excellent experience.



In 2024, the Company maintained the validity of the certificates of ISO 9001 quality management system and measurement management system. Meanwhile, the Company obtained Grade A certification of the informatization and industrialization integration management system in May 2024, marking a new breakthrough in lean, standardized and comprehensive management, and laying a solid foundation for promoting the continuous quality improvement.

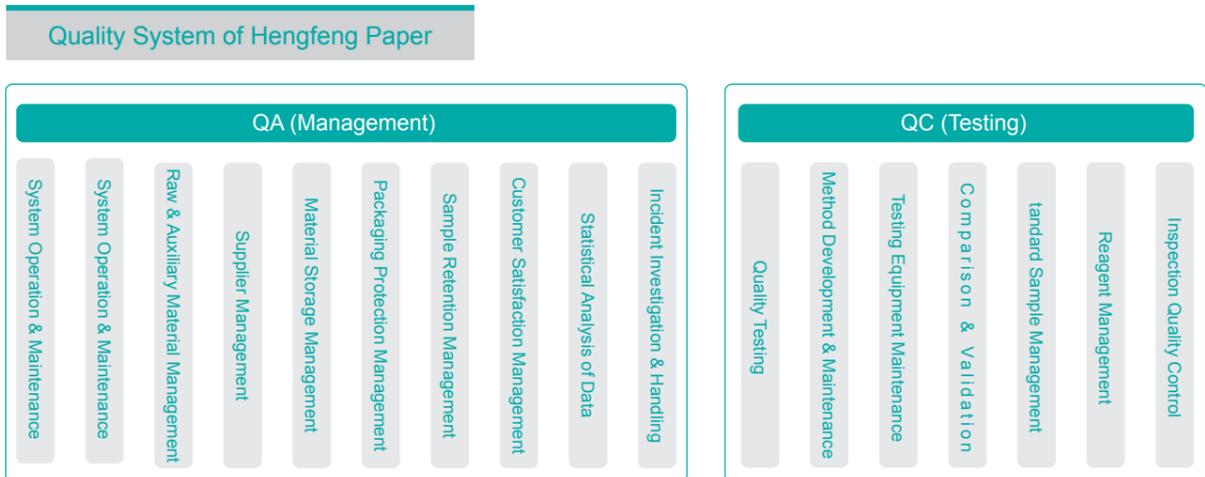


Certificate of Quality Management System Certificate of Measurement Management System Assessment Certificate of Informatization and Industrialization Integration Management System

Pursuit of Excellent Quality

Quality Management System

Product quality is a lifeline for the Company. Insisting on the leading product quality strategy of "deepening management, meeting customer needs; growing stronger, and striving to lead the industry", Hengfeng Paper has prioritized the demand of "meeting customer requirements and endeavoring to exceed customer expectations" in quality management. We have established a perfect quality management system, monitored and managed the product quality throughout the life cycle, and continuously improved the quality management level. Hengfeng Paper has leveraged management system standards as a foundation to develop a sophisticated management framework. We extensively embraces globally recognized management philosophies, principles, methods, and skills, progressively aligning with international standards while fostering a unified management culture with its own characteristics.



Case Hengfeng Paper Testing Center maintained the validity of CNAS laboratory accreditation certificate.



In 2024, Hengfeng Paper Testing Center maintained the validity of CNAS laboratory accreditation certificate, indicating that the Testing Center was complete in its management activities, technical activities, and process quality control of the Testing Center, accurate and reliable in testing data, and stable and effective in the operation of quality system.

Quality Management Measures

The Company has run quality management through the whole life cycle of products, and effectively controlled processes such as customer demand, production planning, material procurement/inspection/warehousing management, production process control, finished product warehousing, finished product delivery, market service/customer complaint investigation and handling, and product recalls with safety indicators or environmental/biological pollution, etc. Those efforts have successfully transformed the isolated process management into integrated management, and realized comprehensive and efficient quality control of conceptual design, product design, product production and product maintenance. The company adopts an intelligent quality management mode for automatic production and inspection, which can quickly analyze the quality of products and reduce the frequency and impact of product abnormalities.

Moreover, the Company has promoted Lean six Sigma management and QCD management, firmly moved towards the goal of high-quality products in a customer-focused, process-oriented, data-driven way, and provided customers with more reliable and high-quality products. In addition, the Company actively carries out activities such as daily special communication with dedicated institutions, annual internal audit, management review, second-party certification and third-party supervision and audit, etc. We also respond to product quality requirements raised by internal and external stakeholders in time, and formulates targeted solutions, laying a foundation for the Company to comprehensively enhance its competitiveness.

Case The Quality Testing Department launched 2024 Job Skills Competition.

In May 2024, the Quality Testing Department organized 2024 Job Skills Competition. This competition covered two positions: physical inspection and visual inspection, with the participation of 102 inspectors. They competed in paper disease identification, leveling and calibration of AL204 electronic balance, etc., laying a solid foundation for further of shortcomings improvement, self-improvement and quality enhancement.

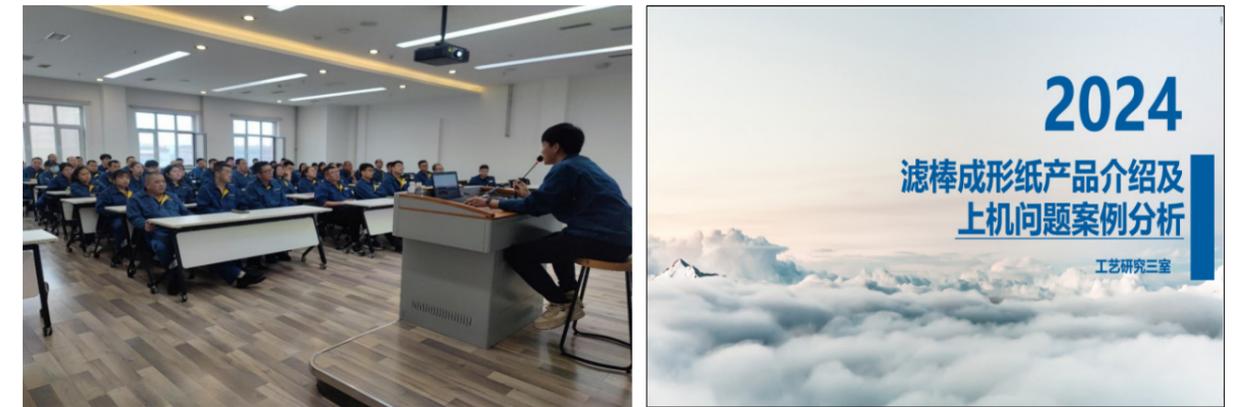


Quality Culture Construction

According to the Company's quality standards, business development needs and staff capacity requirements, we actively carry out quality culture construction activities to strengthen employees' awareness of quality assurance. In 2024, we took the "Quality Month" as an opportunity to organize employees to participate in training on quality-related laws and regulations, general knowledge, job skills, etc., and strengthened communication with customers, suppliers and other partners to create a quality culture with full participation.



"Quality Month" Promotional Video



Training on "Introduction to Filter Plug Wrapping Paper Products and Case Study of Superior Issues"

Case Communication between Hengfeng Paper and China Tobacco Yishenghua (Xiamen) Filter Plug Co., Ltd.

In March 2024, Hengfeng Paper held an exchange event with China Tobacco Yishenghua (Xiamen) Filter Plug Co., Ltd. Both parties discussed the production process control of wrapping paper products and jointly provided suggestions for improving product quality, in order to promote continuous improvement of products.



Case Hengfeng Paper held a closing meeting on 2023-2024 Six Sigma Project.

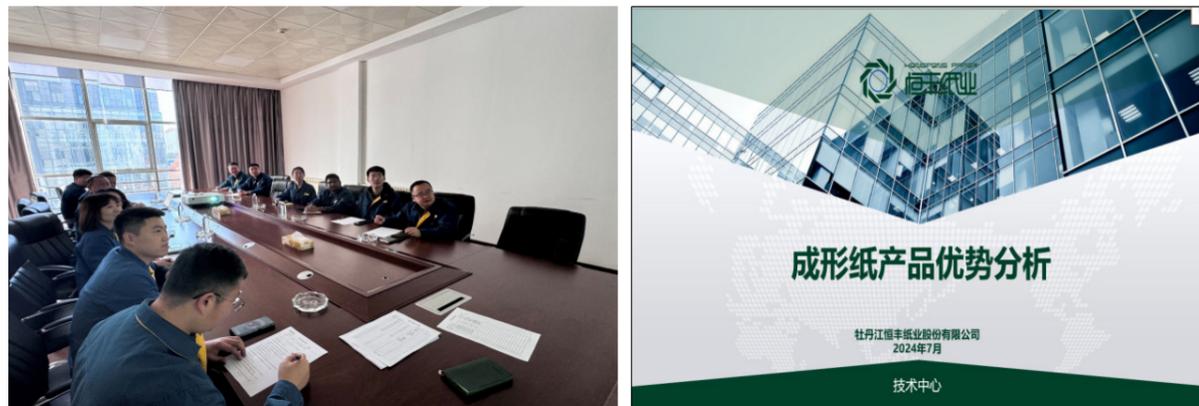
In October 2024, in order to strengthen the quality awareness of employees, Hengfeng Paper held a closing meeting on 2023-2024 Six Sigma Project. This meeting summarized the implementation of 2023-2024 Six Sigma Project and its tracking and verification results, and put forward requirements for project publication and review. At the same time, the main creators demonstrated their project achievements, creating a strong quality culture and helping the Company achieve its new vision and goals.



Enhancement of Customer Services

Customer Relationship Management

Hengfeng Paper has always been centered on customer demand and committed to providing leading products and high-quality services to global customers. We have established diverse communication channels with customers, gained a deep understanding of their personalized needs, applied these needs to the design of products and services, marketing, process improvement and other business development to create best-in-class customer experiences. We also carry out a variety of training activities to improve the abilities of customer service staff and enhance their service awareness.



Sales Staff Training on "Analysis of Wrapping Paper Products Advantages"

We have established a sound global customer service network. The staff of sales offices of our domestic trade, international trade, and new product business departments regularly visit customers in various locations, respond to customer needs in time, and solve problems arising from product use. Upon the completion of the service, the service staff issues a Market Service Report, which records the service content, problems and suggestions for improvement, laying the basis for optimizing the customer experience afterwards.

Customer satisfaction forms the cornerstone of the Company's development. We have strengthened the tracking, measurement and management of customer satisfaction, and conduct customer satisfaction surveys in the form of questionnaires at the end of each year, in order to gain a deeper understanding of customers' true thoughts towards our products and services. According to the survey results, the Company constantly optimizes product performance, formulates more reasonable and effective service strategies, and continuously improves service level.

In 2024
the customer satisfaction was **100%** as surveyed with "very satisfied" accounting for **99.15%**

Performance in Customer Satisfaction				
Indicator	Unit	2024	2023	2022
Customer Satisfaction	%	100	100	100
Very satisfied	%	99.15	94.07	93.59

Customer Complaint Management

We have formulated the *Regulations on the Management of Market Services and Customer Complaints*, set up a leading group (with the General Manager of the Company as the leader, the Manufacturing Director and the Deputy General Manager in charge of marketing and technology as the deputy leaders), and set up five groups, establishing a sound closed-loop management mechanism for customer complaints.

The Company conducts root cause analysis on customer complaints, develops targeted improvement measures, and verifies the effectiveness of the improvement measures to ensure that each complaint is handled appropriately. We evaluate the effect of customer complaint handling according to the "Customer Complaint Handling Notice" and relevant information obtained. Moreover, we take preventive measures based on the PDCA cycle to avoid similar problems and effectively protect the legitimate rights and interests of our customers.

Customer Complaint Handling Procedure	
S/N	Contents
1	After receiving a customer complaint, the sales staff should immediately communicate and identify it. For information confirmed to fall within the scope of the complaint, they should promptly fill out and submit the "Customer Complaint Feedback Handling Form" on the OA mobile office platform. If there are special or major quality complaints that need to be urgently handled, they can first inform the leaders of each group and take emergency handling measures. When sales staff fills in customer complaint content, they must be accurate and complete to facilitate the identification of quality problem, traceability, investigation and analysis, improvement, and treatment of products in stock.
2	After receiving the "Customer Complaint Feedback Handling Form", the Management Office should immediately review the completeness and accuracy of the complaint content (if necessary, communicate with sales staff), appoint the customer complaint handling team, and pass the complaint to the team head. Any customer complaint where machine, production time and quality problems are unclear will be rejected (returned to the creator). If "there are similar products in stock" (including off-site warehouses) is mentioned in the "Customer Complaint Feedback Handling Form", the Warehouse Department shall hang a mark "Pending" on the products (including off-site warehouses).
3	The group leader should define the responsible department, response letter and follow-up personnel for customer complaints within one workday, pass the customer complaint to the responsible department (in the case of special circumstances such as the need for further communication with the customer/internal re-verification, and failure to define the responsibility within the specified time, the complaint should be fed back to the management office). The responsible department shall complete the reply letter, cause analysis and improvement measures within the specified time.
4	If the problems mentioned in the customer complains need to be investigated in the market, the implementation personnel shall fill in the Business Trip Application in the ERP system and implement it after approval.

05

Shouldering Corporate Responsibilities to Boost the Development of the Industry



Leadership in Industry Co-construction

Hengfeng Paper has taken the initiative to assume industry responsibilities, participated in a number of industry associations, and worked together with industry partners to achieve a sustainable future. The Company actively participates in domestic and international exhibitions, forums, and other activities, deepens communication with customers, suppliers, and other parties, and jointly promotes industry development with upstream and downstream industrial chains.

Participation of Hengfeng Paper in Industry Associations

S/N	Association Name	Position
1	Special Paper Professional Committee of the China Technical Association of Paper Industry	Deputy Director
2	The Ninth Council of China Technical Association of the Paper Industry	Specially Appointed Vice Chairman
3	Paper-based Green Packaging Materials and Products Committee of China Technical Association of the Paper Industry	Member
4	China Paper Association	Vice-Chairman Member
5	Printing Paper and Paperboard Sub-Technical Committee of National Paper Industry Standardization Technical Committee	Member
6	Technical Paper and Paperboard Sub-Technical Committee of National Paper Industry Standardization Technical Committee	Member
7	Heilongjiang Light Industry Science and Technology Association	Standing Member
8	Heilongjiang Association of Paper Industry	Vice President
9	The Fifth Council of the China Paper and Pulp Industry Chamber of Commerce	Vice President



Participated in the 21st Annual Conference of China Technical Association of the Paper Industry



Participate in the 2024 Paper Based Materials Exhibition

Case

Hengfeng Paper deeply communicated with Mudanjiang Cigarette Factory.

In August 2024, Hengfeng Paper and Mudanjiang Cigarette Factory launched an event on co-construction for further exchange and cooperation. This event enhanced the understanding between both parties and injected new vitality into future cooperation and development. Both parties took this event as an opportunity to further strengthen cooperation and contribute to the development of the industry.



Case

Hengfeng Paper shined at the Inter-Tabac, drawing a new chapter of the industry.

In September 2024, Hengfeng Paper participated in the Inter Tabac in Dortmund, Germany, showing the world its outstanding product lineups and innovative technologies. Hengfeng Paper exhibited a number of innovative products with independent intellectual property rights, such as paper for heated non-burning cigarette series, eco-friendly inner liner, filter plug wrapping paper, bio-pellet hemp paper, CBD-related tincture and atomization products. Hengfeng Paper also exchanged views and cooperated with industry partners from all over the world, contributing more China's wisdom and strength to the prosperity of the global tobacco industry.



Case Hengfeng Paper participated in the 31st China International Paper Technology Exhibition 2024 (CIPTTE).

In September 2024, Hengfeng Paper was invited to participate in the 31st China International Paper Technology Exhibition (CIPTTE) and the 2024 China International Paper Innovation and Development Forum and 2024 China International Paper Technology Exhibition held in the same period. During the exhibition, the representative team of Hengfeng Paper had in-depth exchanges with the industry experts, scholars and enterprise representatives, and cooperated with the industry colleagues to seek a green and sustainable development of the paper industry.



Case Crossing the National Borders, Linking to the Future - Hengfeng Paper debuted at the 2024 WT Middle East.

In November 2024, as a leading enterprise in China's tobacco paper, Hengfeng Paper made a wonderful appearance at the 2024 WT Middle East, highlighting its new innovative achievements and giving a comprehensive introduction. At the exhibition, we discussed with customers the new trends and development direction of the tobacco paper industry, built new connections, and created new value with them.



Sustainable Supply Chain

Hengfeng Paper deeply recognizes that a supply chain management model taking into account the ESG concept is crucial to enhance its core competitiveness. The Company has regarded sustainable procurement as an important part of ESG construction, managed the supply chain across the whole process, and incorporated ESG management requirements in the supply chain construction.

Supplier Control Procedure

The Company has formulated procedures such as the *Procurement Management System*, established a sound mechanism for supplier screening, admission, evaluation and violation handling, and set up high standards to establish a code of conduct for suppliers in terms of labor rights and interests and environmental responsibilities. It has persevered in deep cooperation, collaborative development, and value co-creation with suppliers, and endeavored to build the most competitive industrial ecosystem for co-creation, co-winning and co-development.

Supplier certification and audit

The Company sticks to the concept of fair procurement, selects suppliers and materials based on the comprehensive optimal conditions in terms of technology, quality, service, supply, cost, environment, social responsibility and information security, and constantly improves the standards for supplier certification. When new suppliers and materials are certified, a dedicated certification assessment team is established to audit the business management, production conditions, quality control, environmental safety, hazardous substance control, social responsibility management, integrity system, etc. of the suppliers. Detailed audit benchmarks and checklists are developed. Only after passing the audit can a supplier become qualified.

Case The Company conducted due diligence on supplier.

In October 2024, the Purchasing Department organized the Technology Center, the Quality Inspection Department and the System Management Department to conduct on-site certification of the suppliers, and communicated with them on the environmental and social impacts of the production process. At the same time, the Company introduced its sustainable procurement policy in depth. Through on-site certification, the potential risks of the suppliers were effectively identified and assessed, and the quality management and social responsibility management of the suppliers were strictly ensured to meet the requirements of the Company.



Supplier performance evaluation

Every year, Hengfeng Paper adopts a combination of online and offline methods to audit suppliers or commission a third party to audit. The audit dimension is consistent with the certification and access dimension, so as to verify whether the suppliers comply with the Company's quality management requirements and policies on labor and human rights, business ethics, and occupational health and safety.

Based on comprehensive audit, the Company can promptly identify potential risks of suppliers, and require them to make improvement against risk points. The Company's sustainable procurement team will also provide guidance to suppliers and help them make improvements more efficiently. If a supplier fails to meet the Company's requirements within the specified correction period, the Company will initiate procedures for supplier downgrading or elimination. In 2024, the supplier risk of the Company was controllable.

Supplier performance evaluation

- The Purchasing Department organizes the performance evaluations on suppliers in the *List of Qualified Suppliers* according to performance evaluation indicators contents and methods. Evaluation indicators include material inspection quality, usage quality, packaging quality, contract performance (service quality), qualification review, quality improvement, price, and product quality and safety. A performance evaluation report is prepared based on these evaluations.
- We rate the performance evaluation results into four grades, namely, A, B, C, and D. If rated as Level A or B, suppliers can enjoy incentive policies such as prioritizing new project procurement and enjoying better payment terms. If rated as Level C, suppliers are required to reduce their supply share and suspend participation in new business. If rated as Level D, suppliers will have their supply qualifications revoked.

On-site audit and evaluation

- By the end of the first quarter of each year, according to the evaluation scope of qualified suppliers, and the supply quality of qualified suppliers in the previous year, the Purchasing Department puts forward a list of suppliers that need on-site audit in the current year, and formulates the audit and certification plan. The Company audits the supplier's comprehensive operation capability, financial operation capability, customer service capability, and process control capability.
- After the review and evaluation, the System Management Department will complete the evaluation and conclusion of supplier qualification certification within 15 workdays. Suppliers found to be unsatisfactory must immediately cease supply. For suppliers with corrective actions required, the Purchasing Department provides one month for the suppliers to develop corrective measures, with completion expected within a maximum of three months.

Supply Chain ESG Management

Hengfeng Paper integrates the concept of sustainable development into the supply chain system, puts forward clear management requirements for suppliers in terms of business ethics, environment, labor human rights, occupational health and safety, and selects and cultivates suppliers with outstanding ESG performance to become long-term partners, so as to build a responsible and sustainable supply chain together.

Supplier ESG requirements

We have investigated the ESG performance of the suppliers through basic research, on-site review, performance analysis, etc., required them to simultaneously sign the Letter of Statement and Commitment on Corporate Social Responsibility, put forward clauses on environment, labor and human rights in procurement contract, and informed the suppliers of the whole process, ensuring that they comply with the Company's ESG requirements and truly practicing the concept of responsible supply chain.

We prioritize the procurement of FSC-certified raw materials, particularly wood pulp, and advocate for wood pulp suppliers to practice the sustainable forest management and acquire certification in the forest product production and sales supervision chain, ensuring that all wood pulp can be traced and thereby enhancing the stability of the ecosystem and preventing excessive damage.

In 2024

the percentage of certified wood or wooden products/raw materials was **57%**

Supply Chain Performance in Wood or Wooden Products/Materials

Indicator	Unit	2024	2023	2022
Percentage of certified wood or wooden products/materials	%	57	48	44

Supplier ESG audit

We evaluate the social responsibilities of important suppliers annually in the form of data rating based on the CSR questionnaire. If we find any supplier uses child labor or forced labor or has other serious violations of laws, regulations or social responsibility standards, we will immediately stop cooperation with it. When necessary, we will commission a professional and authoritative third party to conduct social responsibility audit on suppliers to identify possible ESG risks of suppliers, so as to take appropriate measures to address them, thereby enhancing the overall resilience of the supply chain.

Supply chain ESG empowerment

In addition to strengthening its ESG construction, the Company also actively helps suppliers improve their ESG development capabilities, and encourages suppliers to continuously improve their management and performance in environmental protection, labor and human rights, employee health and safety, business ethics, etc. We organize a series of supplier training to share the latest ESG standards and the Company's ESG policies with suppliers, comprehensively enhancing their awareness of sustainable development.

In 2024

the Company provided the training on supply chain management to **75** suppliers involving **114** individuals

Case

The Company participated in the "2024 China Pulp Summit" and put forward constructive suggestions on supply chain development.

In April 2024, Hengfeng Paper participated in the "2024 China Pulp Summit" with the theme of "Analyzing Supply and Demand, Stabilizing the Industrial Chain, and Promoting High-Quality Development". The representatives of the Company proposed to take supply stability and sustainability as criteria for selecting pulp suppliers, and pointed out that zero deforestation was an important component of the sustainable procurement strategies, striving to build a sustainable supply chain.



Performance in Supplier Management

Indicator	Unit	2024	2023	2022
Percentage of suppliers who signed contracts with clauses on environment, labor and human rights among all suppliers	%	100	100	100
Percentage of who completed questionnaire survey on social responsibility among all Target suppliers	%	100	100	100
Percentage of Target suppliers who undergone on-site social responsibility audit among all Target suppliers	%	100	100	80
Percentage of Target suppliers who signed the Supplier Code of Conduct among all Target suppliers	%	100	100	100
Number of audited/evaluated suppliers participating in improvement actions or capability development	Nos	1	2	2

Moreover, we provide targeted training for purchasers and supplier auditors to increase their awareness of sustainable procurement and ensure that they can implement the Company's sustainable procurement policy in the procurement process, effectively identify and control ESG risks in the supply chain, and promote the sustainable development of the supply chain.

Case The purchasers participated in the training on "Risk Control and Compliance throughout the Procurement Process".

In August 2024, the Company's purchasers participated in the training on the *Risk Control and Compliance throughout the Procurement Process* organized by the China Procurement Business School, a national continuing education base for professional and technical personnel of the Chinese Mechanical Engineering Society. The keynote speaker gave an in-depth explanation of sustainable procurement issues, and introduced how to establish a risk analysis and evaluation mechanism to identify and reduce potential risks in the supply chain, thereby keeping the long-term stable development.



Case Purchasers and supplier auditors participated in training on "ESG Management Practices".

To strengthen the ESG concepts for purchasers and supplier auditors, the Company invited external experts to conduct training on "ESG Management Practices". This systematic training helped the participants to clarify their awareness of sustainable procurement and enhance their capability to practice principles such as green procurement and fair trade, which was conducive to the development of the supply chain in a more eco-friendly, socially friendly and responsible way.



Performance in Purchaser Management

Indicator	Unit	2024	2023	2022
Number of purchasers	Person	7	7	8
Number of purchasers trained on sustainable procurement	Person	7	7	8
Percentage of purchasers trained on sustainable procurement in all regions	%	100	100	100

06

Focus on Green Development to Build a Low-carbon Future



Enhancement of Environmental Management

Hengfeng Paper strictly complies with the requirements of the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, as well as other requirements of the operating locations around the world, continuously optimizes its environmental management, enhances its capability to fulfill the environmental responsibilities, and vigorously promotes environmental protection and ecological civilization. Attaching importance to cleaner production, we carried out a cleaner production audit in April 2024, and identified 14 cleaner production programs which were all implemented and passed the assessment by the Mudanjiang Ecological Environment Bureau in that year. According to the assessment results, a total investment of RMB 2.842 million was made in the implemented programs, with economic benefits of RMB 6.13579 million, electricity saving of 4.4585 million kWh/a, steam saving of 13,000 t/a, and water saving of 1,500 t/a, laying a solid foundation for environmental management.

Environmental Management System

Hengfeng Paper adheres to the mission of "To create a permanent, prosperous and green home", actively responds to national and industry environmental protection policies, establishes ISO 14001 environmental management system, formulates strict environmental management standards, and identifies and responds to the impact of the Company's operations, products and services on the environment. We are committed to carrying out effective environmental protection actions in all aspects, tracking and monitoring both the production processes and the discharge of pollutants, and continuously improving our environmental operational performance.

In 2024

the Company maintained the ISO 14001 energy management system valid.



Certificate of ISO 14001 Environmental Management System

Environmental management organization

The Company has implemented a responsibility system for environmental protection, and clarified the environmental protection responsibilities at all levels, specifically from the Company to the operation teams, or from the leaders to the operators. We set up an environmental management department, which is responsible for the Company's environmental management work. The department has formulated environmental policies and strategies, and clarified the commitment to environmental protection and the principles of environmental management, including plans, document management, operational control, and emergency preparedness and response, promoting the implementation of environmental management system. We set up environmental management objectives and indicators, further clarify the environmental responsibility of each department, and promote the stable operation of the environmental management system.

In 2024

the Environmental Management Department played a good role in organizing and leading the Company's environmental affairs.

Prevention and control of environmental risks

In order to effectively prevent and reduce the environmental emergencies, and to control, mitigate and eliminate the hazards caused by environmental emergencies, the Company has strictly complied with the *Emergency Response Law of the People's Republic of China*, the *Management Measures for Emergency Response Plan* and other laws and regulations. It has set up a sound environmental risk prevention and control mechanism. The Environmental Management Department identifies possible environmental risks, conducts regular inspections on environmental hazards, develops rectification plans, urges all departments to rectify the associated problems, and supervises the implementation of rectification measures.

Case

The Company conducted a comprehensive inspection on environmental management.

In July 2024, in order to give a new look to Hengfeng, the Company conducted an inspection on environmental management. This event was intended to create a clean and comfortable working environment for all employees through meticulous environmental management and thorough cleaning, but also embodied the positive spirit and green development concept of the Company.



Environmental information disclosure

Hengfeng Paper has disclosed its environmental information through multiple channels to deepen the public understanding of its environmental management, enhance the transparency of the Company and strengthen the social trust. The Company has set up "Environmental Protection", "Water Management" and other sections on the website, which primarily focus on the information concerned by the public, society and the market. We selectively disclose the key and conclusive environmental information, including GHG emission reduction targets, GHG emission reduction activities and water management, so as to visually reflect to the public in a comprehensive and detailed manner the Company's compliance with ecological and environmental laws and regulations and its environmental governance. In the future, we will further strengthen communication with government regulators, industry, society and other parties to promote the standardization and normalization of environmental information disclosure.

Performance in Environmental Management

Indicator	Unit	2024	2023	2022
Percentage of operational sites undergoing specific risk assessment	%	100	100	100
Investment in environmental protection	RMB 10,000	1716.44	1752.29	1909.96

Standardization of Pollutant and Waste Treatment

The Company has regarded compliant emissions as the basic standard of environmental management, and always managed pollutants and wastes from production and operations with a highly responsible attitude, thereby reducing the impact of pollutants and wastes on the environment. We have formulated internal management measures and standards such as the *Regulations on Supervision of Wastewater Discharge and Waste Gas Emissions* and the *Regulations on Waste Management*, actively prevented and controlled the pollutants and wastes, and achieved emission and waste reduction on the basis of ensuring that emissions meet the environmental standards of the operational location.

Wastewater Treatment

The Company's wastewater mainly includes tail water generated from the paper making process and waste water discharged from pulp production. The wastewater treatment system was built in 2000, with a processing capacity of 30,000 tons/day. It can treat the wastewater by the primary coagulation and sedimentation and the secondary activated sludge process. After pre-treated with a grid, the wastewater is raised to the mixed reaction tank for mixing. After adding chemicals, the wastewater is sent to the primary sedimentation tank for coagulation and sedimentation, and the effluent is sent to the biochemical tank for biochemical treatment. The sludge sediment in the primary sedimentation tank and the remaining biochemical sludge in the biochemical tank are concentrated in the sludge concentration tank, and then compressed and dehydrated. After dewatering, the sludge is disposed of.



An intelligent environmental protection project is initiated by the Company for the Water Supply and Drainage Plant, with a distributed control system (DCS) installed. With the DCS, the Plant can monitor the process parameters of the water supply and drainage system in real time, communicate with the third-party data, providing sufficient basis for scientific decision-making and facilitating to build an efficient, energy-saving, green and eco-friendly intelligent plant.

Functions of Intelligent Environmental Protection Project

Water production

- Use on-line monitoring equipment to monitor turbidity and pH value of the inclined plate sedimentation tank in real time, and get to know the changes in water quality quickly.
- Make effective adjustments as per the data collected by the automatic distributed control system to improve the efficiency of water quality treatment and achieve the trend control of production water supply indicators.

Wastewater treatment

- Monitor the key parameters such as chemical oxygen demand and pH value through synchronous communication with the DCS control system via the PLC.
- According to the incoming water, timely adjust the process and the dosage to achieve effective treatment, prevent against the hidden danger of substandard discharge caused by delayed adjustment, and avoid waste of water treatment agent and energy.



Performance in Wastewater Treatment

Indicator	Unit	2024	2023	2022
COD	Ton	236.71	164.73	75.63
Ammonia nitrogen	Ton	12.36	7.27	8.54

Waste Gas Treatment

The exhaust gas mainly comes from boiler flue gas in the Company. We adopt two-stage electric field, two-stage bag dust removal, desulfurization with calcium injection in the furnace, and SNCR (urea) denitrification to minimize the impact of exhaust gas on the environment. We have installed online automatic monitoring equipment at the exhaust duct, and the monitoring data is uploaded to the national pollution source supervision platform in real time so as to ensure that the emission is up to the standard.



Electric Bag Dust Collector



Denitration Facilities



Desulfurization Facilities



Online Flue Gas Monitoring Equipment

Hengfeng Thermal Power completed the ultra-low emission transformation project for flue gas in December 2024, using DSC dry purification of coal-fired flue gas and such processes as desulfurization, denitrification and dust removal to achieve multi-pollutant collaborative treatment. After the transformation, sulfur dioxide, nitrogen oxide, particulate matter, etc. are up to standard and better than the standard, significantly improving the boiler flue gas treatment, and optimizing the safety performance of boilers and environmental protection equipment.

Performance in Waste Gas Treatment				
Indicator	Unit	2024	2023	2022
Nitrogen oxide	Ton	152.26	213.57	318.16
Particulate matter (PM)	Ton	17.54	21.59	34.18
Sulfur dioxide	Ton	142.09	177.38	241.12

Waste Treatment

The Company has strictly implemented the requirements of the *Regulations on Waste Management*, standardized the waste management methods and processes, evaluated the comprehensive utilization of industrial solid waste, promoted the standardized, green, and large-scale development of the comprehensive utilization industry of industrial solid waste resources, improved the technology, efficiency and scale expansion for the comprehensive utilization of industrial solid waste resources, truthfully recorded the types, quantities, flows, storage, utilization, disposal, and other information of industrial solid waste generated, and achieved traceability and query of industrial solid waste.

We have adhered to the principle of "minimization, recycling, and harmlessness" in waste management, classified and disposed of waste, promoted waste recycling, and achieved comprehensive utilization of waste.

We have developed different disposal methods for different types of waste.	
Types	Treatment Methods
Fly ash and slag from thermal power company	Comprehensively utilized by third party as per standards
Lime sludge from drainage treatment	Processed by cooperative third party into low-grade decorative cardboard, or transferred to cement plant for producing desulfurizer, etc.
General waste that can be classified and recycled	Sold for reuse
Unusable general waste	Transferred to urban household waste management station for disposal

The Company pays particular attention to the treatment of hazardous waste, and manages all nodes of hazardous waste such as generation, storage and transfer. Moreover, we strengthen the front-end control of hazardous waste generation, standardizes the process of hazardous waste storage and transport, constructs hazardous waste storage warehouse, hands the waste over to a qualified third party for treatment, and retains the records of waste transfer. We have made detailed regulations for the transfer time, condition and protective measures of hazardous waste.

Performance in Waste Treatment				
Indicator	Unit	2024	2023	2022
Industrial solid waste				
Total amount of industrial solid waste generated	Ton	94658	107371	98797
Amount of industrial solid waste recycled	Ton	94658	-	-
Hazardous Waste				
Total amount of hazardous waste generated	Ton	11.467	10.15	14.215
Amount of hazardous waste transferred	Ton	11.467	10.15	14.215

Noise Abatement

The Company comprehensively strengthens the daily monitoring and supervision of noise in accordance with the *Law of the People's Republic of China on Prevention and Control of Noise Pollution*, the *Emission Standard for Industrial Enterprises Noise at Boundary*, and other laws, regulations, and industry standards. In terms of equipment selection, the Company prioritizes low-noise equipment to reduce noise pollution from the source. We set up safety warning signs and soundproof boards in noisy environments to reduce noise transmission. We also provide employees with noise-proof earplugs and check whether they wear them during pre-shift meeting.



Noise Safety Warning Signs and Soundproof Boards



Noise-proof Earplugs

Optimization of Resource Utilization

Water Resource Management

Water is an essential resource for developing and sustaining economic health and prosperity, and for ensuring human health and well-being. Hengfeng Paper is committed to implementing a sustainable water management strategy, collaborating with various stakeholders in an open and transparent manner, and achieving environmentally sustainable and economically beneficial development and utilization of water resources.

The Company has actively introduced the international sustainable water management standards (AWS), developed a set of scientific and reasonable water sustainability program (WSP), established a well-developed water resources management system, did a good job in water resources management, sustainable water balance and water quality management, and made a commitment to the world on sustainable water management. The Company sets up a sustainable water management committee to decide on the work of sustainable water management. The members of the Committee come from all departments and levels of the Company. According to the requirements of the *Guidelines for International Sustainable water management*, they have developed water sustainability programs, and tracked and implemented the identified actions. Relevant personnel from other departments provide support and are responsible for their own sustainable water management indicators or projects. The plant management evaluates and provides recommendations on sustainable water management. **Hengfeng Paper passed the AWS certification in January 2025, and was the first paper enterprise to be certified by the AWS.**



AWS Certificate



Organizational Chart of Sustainable Water Management System



The Company has conducted in-depth study on each link, identified potential water-saving points, optimized water utilization processes in pulp preparation, spraying, washing, printing, and other links to reduce water consumption. We have also introduced and applied advanced water-saving technologies and equipment, such as tail water recovery system, high-pressure mobile point-jetting cleaner, and multi-disc tail water recovery technology, to improve the recycling rate of water resources. Moreover, we have established a sound tail water reuse system, which can use the treated wastewater for non-critical water consuming step in the production process, such as cooling and washing, so as to reduce water consumption.

Performance in Water Consumption

Indicator	Unit	2024	2023	2022
Total water consumption	Ton	4607546	3900045	3514998
Recycled water amount	Ton	691132	1088047	394962

Energy Management

Energy Management System

Hengfeng Paper has integrated the concept of green energy conservation into all aspects of product design, production, manufacturing, etc., striving to improve energy efficiency, reduce GHG emissions and save resources, promoting the Company's green transformation. According to the requirements of ISO 50001 energy management system, we have established the processes and standards of energy management to create a sound energy management system and vigorously promote the Company's energy conservation, consumption reduction, and green development.

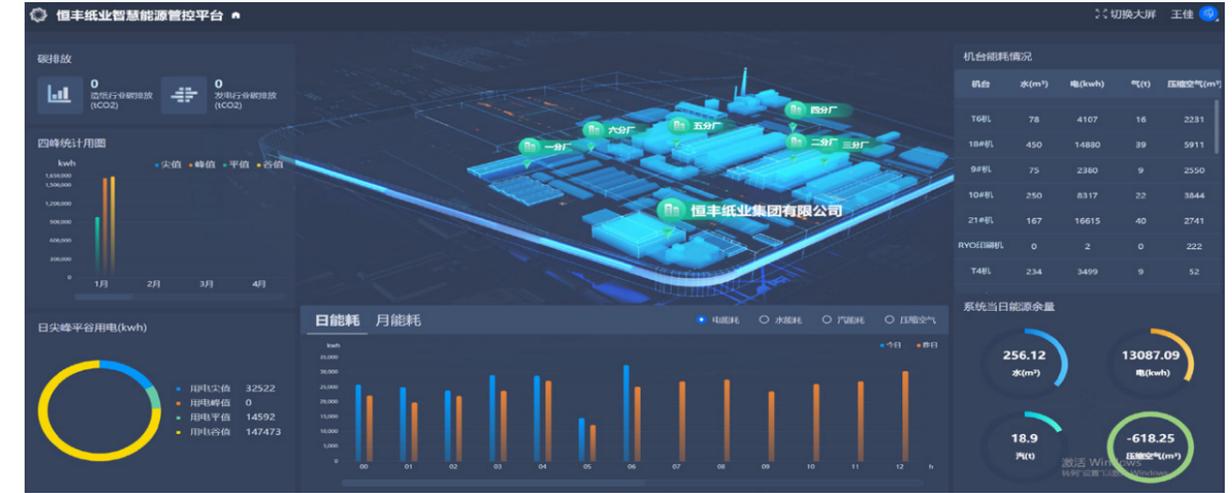
In 2024, the Company maintained the ISO 50001 energy management system certificate valid.

The Company has strictly implemented the national energy conservation law and the relevant provisions of local governments on energy conservation and GHG emission reduction. We set up a leading group and a working group for energy conservation and GHG emission reduction, which are headed by the general manager and deputy general manager. We also establish a "three-level network" for energy conservation technology supervision based on the support of dedicated energy conservation engineers and professional supervisors. The Company releases the plans and schedules for energy conservation and GHG emission reduction at the beginning of each year, analyze and summarize the GHG inventories and check the implementation effect per month, and constantly optimize and improve the scientific energy conservation management system. In daily management, we take the energy conservation publicity week as an opportunity to collect the suggestions on minor reforms and rationalization for energy conservation and emission reduction, and give awards to the implementable suggestions, encouraging everyone to brainstorm and jointly invest in energy conservation and emission reduction.

In February 2023, we launched a project to develop an intelligent energy management and control platform. The platform was formally put into operation in December of the same year. It is composed of five modules, namely, energy consumption management, equipment management, production management, early warning management and energy efficiency management, which can provide a basis for the Company to realize scientific energy management. We will continue to upgrade the intelligent energy management platform and optimize the energy data analysis and visualization functions, so that we can more quickly and accurately identify the anomalies in energy consumption, audit the abnormal energy consumption, and guarantee the safety of energy consumption.



Certificate of ISO 50001 Energy Management System



Intelligent Energy System

Energy conservation and consumption reduction project

As a manufacturing enterprise, we have continued to explore the potential of energy conservation and consumption reduction, and launched a series of projects, effectively reducing energy consumption and improving energy efficiency.

List of Energy Conservation and Consumption Reduction Projects	
Items	Contents
Waste heat utilization	<ul style="list-style-type: none"> • Install advanced equipment to recover low-grade waste heat lost from the circulating water of the steam turbine in the cooling tower, and heat the clean water used in the plant during winter, so as to reduce steam consumption in production; • Install a flexible-tube heat exchanger at the tail flue of the 7# furnace, using the waste heat of the flue gas to heat the clean water and recover the waste heat from the discharged flue gas; • After the above projects are completed, the annual heat recovery can be up to 30,231 GJ (equivalent to 11,058 tons of steam).
Steam saving and consumption reduction	<ul style="list-style-type: none"> • Optimize the steam condensing system of 2 paper machines (T2#, PM15) to save steam and reduce consumption; • Upgrade the steam condensation, insulation and condensate recovery system of the external wire mesh of 2 paper machines (PM16, T6#) to reduce the loss of heat; • Replace the steam cylinders of 2 paper machines (PM16, T6#) and improve the syphoning device to improve the operating efficiency; • Saving 3,625 tons of steam each year.
Upgrade and improvement of ventilation system	<ul style="list-style-type: none"> • Optimize and replace the enclosed air hood drying and heat recovery system of T1# paper machine, improve the ventilation system of the production plant, and enhance the moisture removal effect of the paper machine's air hood; • Saving 493 tons of steam each year.
Upgrade and improvement of 8# paper machine's press section	<ul style="list-style-type: none"> • Upgrade and improve the pressing and dryer sections of 8# paper machine to reduce heat consumption in subsequent drying, reducing the overall steam consumption by more than 8%; • Saving 1,220 tons of steam each year.
Intelligent and green transformation for power saving	<ul style="list-style-type: none"> • Introduce and apply digital and intelligent energy-saving technologies to improve the overall control level of the paper machine, ensure the control system of the Company's key cigarette paper machines (12#, 16#, 21#) operates in a safe and reliable way, improve the operation rate, and reduce power consumption; • Saving 654,700 kWh electricity.
Energy-saving air suspension fan	<ul style="list-style-type: none"> • Install high-efficiency and energy-saving air suspension fans in the drainage system to saved energy.



Rooftop PV Module



Green Electricity Certificate

Performance in Energy Consumption

Indicator	Unit	2024	2023	2022
Total energy consumption	10,000 tons of standard coal	13.39679	13.76537	13.42350
Amount of green electricity purchased	kWh	30400000	/	/
PV power	kWh	5106343	/	/

Climate Change Response

Strategies and Objectives

It is a new challenge and a new mission for Hengfeng Paper during its course of developing into an international first-class enterprise to tackle climate changes and enhance climate resilience. We have integrated climate actions into the Company's development strategy, prepared the *Work Program for Peak Carbon Dioxide Emissions and Carbon Neutralization*, set up a "Dual Carbon" leading group and promotion office, regularly analyzed the Company's GHG emissions, and actively sought ways and means to reduce GHG emissions.

In combination with the systematic guidance of the Task Force on Climate-Related Financial Disclosure (TCFD), we have actively filled out the CDP questionnaire and done a good job in climate information disclosure, so as to comprehensively understand its own GHG emissions, assess climate change risks, and help the Company formulate low-carbon strategies. **In 2024, we was rated as Management Level (B) in the CDP Water Security and Climate Change Questionnaire, ranking among the top 3% of disclosed companies, which demonstrates Hengfeng Paper's proactive actions in combating climate change and advancing sustainable water management, and highlights our steadfast commitment to sustainable development. We joined the Science Based Targets initiative (SBTi) in August 2023, committing to set the latest science-based emissions reduction target against 1.5°C. In November 2024, the Company was rated as the first special paper enterprise with clear science-based carbon targets.**

Introduction of renewable energy

In response to the relevant national initiatives, Hengfeng Paper has regarded the introduction of renewable energy as an important means to achieve energy conservation and GHG emission reduction. The Company has scaled up the layout of renewable energy sources, installed rooftop PV power facilities, and gradually reduced the use of fossil fuels. In addition, the Company has actively purchased green electricity and continuously optimized the energy mix.

In 2024

the Company generated 5,106,343 kWh of photovoltaic power and purchased 30,400,000 kWh of green power.



Thank you again for your disclosure in 2024. You are part of a record 24,800+ organizations that are using data to drive Earth-positive decisions, paving the way to an Earth-positive future.

Data is critical to power the transformative shift our planet and economy need. The data from disclosure is being used by a wide range of stakeholders – across finance, procurement, investment, and policy – driving transparency to action.

We are pleased to share your 2024 CDP thematic score(s):

- B for Climate
- B- for Forests
- B for Water Security

You can also access your category scores and disclosure badges below:

[Access your category scores](#)

[Access your 2024 Disclosure badge](#)



Case

Hengfeng Paper became the first special paper enterprise with clear science-based carbon targets in China.

In November 2024, the SBTi publicized the verification results of Hengfeng Paper's science-based carbon targets on its website. Under the guidance of the Committee, Hengfeng Paper's carbon reduction target is to "reduce total emission of Scope 1 and 2 by 42% and reduce the emissions of Scope 3 by 25% from a FY 2023 base year to FY 2030". This marks that Hengfeng Paper has become the first special paper enterprise with clear science-based carbon targets in China, and fully demonstrates Hengfeng Paper's determination to cope with climate change and achieve "peak carbon dioxide emissions and carbon neutralization".



GHG emission reduction target of Hengfeng Paper

Reduce the absolute emissions of Scope 1 and 2 by 42% from a FY 2023 base year to FY 2030

Reduce the absolute emissions of Scope 3 by 25% from a FY 2023 base year to FY 2030.

GHG emission reduction strategy roadmap of Hengfeng Paper

In 2023, establish a GHG emission inventory for the base year;

By 2026, reduce the absolute GHG emissions of Scope 1 and Scope 2 by 18%, and reduce the GHG emissions of Scope 3 by 10.7%;

By 2030, reduce the absolute GHG emissions of Scope 1 and Scope 2 by 42%, and reduce the GHG emissions of Scope 3 by 25%.

Implementation Path of GHG Emission Reduction of Hengfeng Paper

Implementation path of self-operated emission reduction	Reduce own energy consumption	<ul style="list-style-type: none"> • Upgrade production equipment to reduce energy consumption • Innovate production technologies • Improve boilers for ultra-low emission • Recycle boiler exhaust • Improve the Company's intelligent energy management system • Keep the offices low-carbon and energy-saving
	Increase the proportion of green electricity usage	<ul style="list-style-type: none"> • Improve the distributed PV system on the plant roof • Promote the Company's wind power construction projects • Actively participate in green electricity and green certificate trading
Implementation path of GHG emission reduction across supply chain	Acquire supply chain related data	<ul style="list-style-type: none"> • Key suppliers provided Hengfeng with their Scope 1 and 2 GHG emission data • Key suppliers provide product carbon footprint to Hengfeng
	Develop low carbon standards for supply chains	<ul style="list-style-type: none"> • Encourage suppliers to disclose energy consumption data • Increase emission-related indicators • Update supplier selection criteria
	Competence co-development	<ul style="list-style-type: none"> • Provide knowledge and skills support related to GHG emission reduction to suppliers through supplier conference, supplier training, etc.

GHG Management

Hengfeng Paper has prioritized GHG management as a pivotal development strategy. By referring to the GHG accounting standards such as ISO 14064 and GHG Protocol, Hengfeng Paper has compiled and issued the GHG Inventory Control Procedure, standardized the GHG emission accounting process, and ensured the accuracy of activity data, emission factors and global warming potential value (GWP value), so as to ensure that GHG inventories and GHG reports comply with the principles of relevance, completeness, consistency, accuracy and transparency. We also assess the performance in addressing climate change.

The GHG inventories for 2024 were verified and validated, with a year-on-year reduction of 177,669.51tCO₂e

Performance in GHG Management

Indicator	Unit	2024	2023	2022
Total GHG emissions	tCO ₂ e	730236.79	907906.3	/
- Direct GHG emissions (Scope 1)	tCO ₂ e	318539.27	319828.02	/
- Indirect GHG emissions (Scope 2)	tCO ₂ e	93430.20	114735.07	/
- Indirect GHG emissions (Scope 3)	tCO ₂ e	318267.32	473343.23	/

Statement of Conformity CN250000873
Greenhouse Gas Verification Statement
 The inventory of Greenhouse Gas emissions in 01 Jan. 2024 to 31 Dec. 2024 of
MUDANJIANG HENGFENG PAPER CO., LTD
 Business address: No. 11 Hengfeng Road, Yangning District, Mudanjiang City, Heilongjiang Province, P.R. China
 Organization boundary: No. 11 Hengfeng Road, Yangning District, Mudanjiang City, Heilongjiang Province, P.R. China
 has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of
ISO 14064-1:2018
 Direct Emissions [Category 1]
 318,539.27 tonnes of CO₂e
 Indirect Emissions from Imported Energy [Category 2]
 93,430.20 tonnes of CO₂e
 Indirect Emissions from Transportation [Category 3]
 90,200.26 tonnes of CO₂e
 Indirect Emissions from Products Used by An Organization [Category 4]
 197,365.69 tonnes of CO₂e
 Indirect Emissions Associated with The Use of Products from The Organization [Category 5]
 70,701.26 tonnes of CO₂e
 Indirect Emissions from Other Sources [Category 6]
 (as determined as non-significant indirect emissions and not quantified)
 Total Emissions Quantified
 730,236.79 tonnes of CO₂e
 (as determined as non-significant indirect emissions and not quantified)
 Authorized by:
 Director
 Business Assurance
 0475 72 000
 SGS-CERTIFIED, Technical Services Co., Ltd.
 100 Avenue des Nations, 111 Hengfeng Road, Beijing, P.R. CHINA 100102
 1 800 875 5021 180 www.sgs.com.cn
 Page 1 of 4

We refer to the ISO 14067 standard and conduct product carbon footprint verification with the help of third-party professional organizations, providing support for the continuous improvement of product environmental performance. We have prepared 5 product carbon footprint reports (25g cigarette paper, 24g 4800CU high-permeability filter plug wrapping paper, 27g filter plug wrapping paper, 36g cigarette tipping paper, and 78g hard drip tip wrapping paper).

Insistence on Green Operation

Green Culture

Hengfeng Paper is committed to creating a green culture and strengthening green concepts. The Company actively carries out activities such as scavenging, planting trees and clearing weeds to jointly guard the green home. We initiate various forms of environmental themed publicity and training activities to enhance employees' awareness of environmental protection and build a green and sustainable future.

Case Hengfeng organized "Embracing Nature, Realizing Sustainable Development" scavenging, hiking, and tree-planting activities.

In April 2024, in order to implement the concept of green development, Hengfeng organized, scavenging, hiking, and tree planting activity with the theme of "Embracing Nature, Realizing Sustainable Development". In the activities, employees enthusiastically picked up plastic waste and rubbish, and planted trees to add new vitality to Hengfeng. The Company took this event as a good start towards sustainable development, and in the future, it will continue to hold various forms of activities to contribute to green development together.



Environmental Management Training

Green Transport

We attach great importance to the role of green transport in green development, and increase the proportion of clean transport by optimizing transport routes, adopting environment-friendly transport tools, improving vehicle loading capacity, and developing multimodal transport.

Optimize transport routes	<ul style="list-style-type: none"> Select the shortest and smoothest route based on big data and intelligent planning software to reduce transport mileage, energy consumption, and exhaust emissions.
Adopt environment-friendly transport tools	<ul style="list-style-type: none"> Use new energy transport vehicles to significantly reduce pollutant and GHG emissions.
Increase vehicle loading capacity	<ul style="list-style-type: none"> Reasonable arrangement of the spatial layout of goods and make full use of the volume of transport vehicles so as to carry more goods each time and decrease the number of transports and energy consumption.
Develop multimodal transport	<ul style="list-style-type: none"> Integrate various transport modes such as highways, railways, waterways, and aviation organically. Prioritize rail or water transport, which have lower energy consumption, for long-distance transport, and adopt road transport for "last-kilometer" delivery, which can effectively reduce energy consumption and pollution.



Transport by Battery Truck

Green Packaging

In the initial design phase, the Company considered the reuse, optimization, and easy recycling of packaging materials, exploring sustainable packaging from the source. We further practice the concept of green packaging by reusing packaging materials and using more eco-friendly alternatives. We advocate our customers to use recyclable trays instead of disposable trays to reduce resource consumption.

In 2024
Hengfeng used a total of **1540** sets of recyclable trays to replace **3544** sets of disposable trays.

In addition, products such as Bible paper, food wrap paper and tipping paper for cigarette are all made by automatic packaging line. Kraft paper packaging is used instead of plastic tensile membrane wrapping, improving packaging efficiency, which not only improves the packaging efficiency, but also reduces the use of plastic products.

In 2024
we reduced the use of plastic tensile membrane by nearly **42** tons

Green Office

The Company has implemented the concept of green office in all aspects of daily operations, established a sound green office mechanism, and encouraged the participation of every employee to create a favorable atmosphere of green office for all staff.

Green office measures

- Classify and recycle paper, cartons, plastics, iron and aluminum cans, etc., and classify and reduce the garbage;
- Persist in double-sided printing, save paper, promote paperless office, and reduce printing frequency;
- When using office equipment such as computers, printers, copiers, and shredders, set them in "Eco Mode" to reduce standby energy consumption and extend their service life;
- Use more paper clips and staples, but less benzene-containing solvents, such as glue and correction fluid;
- Do not share one socket for electrical appliances with high power consumption, such as refrigerator and copier.

Biodiversity Conservation

Biodiversity is one critical part of the Earth's ecosystem and an important basis for human survival and development. As a paper enterprise, Hengfeng Paper works with the concept of respecting nature and actively promotes biodiversity conservation. We prioritize the procurement of FSC-certified raw materials, particularly wood pulp, and advocate for wood pulp suppliers to practice the sustainable forest management, ensuring that the final products come from certified and well-managed forests, so as to avoid over-harvesting and damage to the ecological environment, maintain the ecological functions of the forests, and conserve the biodiversity of the forests.

In 2024
we maintained the FSC certificate valid.

Hengfeng Paper places emphasis on selecting suitable tree species and employing scientific methods to expand green areas. Adhering to the requirements related to the ecological environmental protection and the ecological management of industrial and planted forests, the Company controls and mitigates adverse impacts on the environment through the processes of land preparation, afforestation, nurturing, harvesting, and regeneration, so as to maintain the stability and safety of biodiversity and ecosystems.



FSC Certification

07

Prioritizing the Principle of People Foremost to Gather the Power of Goodness



Hengfeng Paper always believes that employees' sense of belonging and achievement is the cornerstone of its sustainable and healthy development. For a long time, the Company has adhered to the principle of equal employment, respected and safeguarded the rights and interests of every employee, provided them a competitive salary and welfare system and a broad development platform, and shared the development achievements with them. Moreover, the corporate development is based on the premise of ensuring the health and safety of our employees. We are committed to becoming a model of occupational health and safety management.

Protection of Employees' Rights and Benefits

Human Rights Protection

Hengfeng Paper has strictly observed such international conventions, laws and regulations as the Universal Declaration of Human Rights, the Core Conventions of the International Labour Organization, and the Labor Law of the People's Republic of China, and signed labor contracts with employees according to law, ensuring to respect and protect their basic human rights.

The Company has recruited any employees in an equal and fair manner, incorporated equality and non-discrimination into the procedures of recruitment, onboarding, promotion and offboarding, and provided fair and equitable development opportunities for every employee, gathering talents to build a world-class enterprise. We have always prohibited child labor, resisted all forms of forced labor, and fully safeguarded the dignity of employees. We are also resistant to harassment, including psychological, sexual and verbal harassment. Furthermore, we promise not to discriminate any employee for the reason of race, age, gender, sexual orientation, ethnicity, disability, religious belief, etc., and strive to build equal and harmonious labor relations.

In 2024

we found no violations of employees' human rights.

Performance in Human Rights Protection

Indicator	Unit	2024	2023	2022
Proven violations of employees' human rights	Each	0	0	0

Democratic Management

Hengfeng Paper respects and protects employees' rights to equal consultation, collective bargaining and freedom of association, and encourages employees to freely and fully express their opinions and suggestions. We have set up a variety of communication methods to collect the thoughts of employees. The employees can express their ideas through channels such as the smart union platform, union mailbox, company website, integrated media platform, and internal online communication. We pay attention to the legitimate needs of our employees and develop targeted solutions to respond to their needs.

Labor union management

The Company establishes a labor union in accordance with the law, and organizes employees to elect the chairman of the union, the members of the union committee and the members of the funding review committee by secret ballot, fully safeguarding employees' democratic rights such as the right to information, participation, expression and supervision. We always, on an equal basis, negotiate and resolve any issues concerning the vital interests of employees such as wages, benefits and labor safety through labor union meeting and other forms, and applied the concept of democratic management to every aspect of daily operations, continuously enhancing the transparency of the Company. In addition, the labor union organizes various forms of employee care activities, takes the initiative to be a listener and close friend to the employees, and interprets the catchword "there is a kind of warmth called labor union by your side" with practical actions.

Case

Hengfeng held the ninth meeting of the Seventh Congress of Workers and Staff.

In February 2024, Hengfeng held the ninth meeting of the Seventh Congress of Workers and Staff. The meeting centered on the spirit of keeping truthful and practical. The representatives made speeches and exchanges on strategy implementation, innovative development, product quality, system construction, talent enhancement, workplace safety and other issues, jointly planning a better future for Hengfeng.

Case

Hengfeng's labor union launched "Cool Summer" condolence activity.

In July 2024, the labor union visited the homes of employees and carried out the "Cool Summer" condolence activity, delivering heatstroke prevention and cooling supplies to the employees. The union carefully purchased sunscreen and heatstroke prevention products, and advised outdoor workers to take personal protective measures, safeguarding the happiness and health of employees.



Case

Hengfeng Labor Union launched "Warm Winter" activity.

To deliver the warmth and strength of Hengfeng to employees, the labor union launched the "2024 Warm Winter" activity. The Company prepared ear muffs, gloves and other thermal supplies for employees. In the future, the labor union will continually uphold the business purpose of "employee satisfaction", and strive to create a more warm and harmonious working environment for employees.



Employee satisfaction survey

We regularly conduct employee satisfaction surveys to understand employees' satisfaction with the Company, leadership team, departments, and corporation atmosphere. We regard the survey results as a key reference to improve the effectiveness of corporate governance, constantly optimize the working environment, and enhance employees' happiness and sense of belonging.

Employee complaint

We respect the right of every employee to complain. When employees think that their legitimate interests are violated, or have different opinions on the business management of the Company, or find that others violated the Company's regulations, they can complain to the Company according to the procedure. Employees could submit complaints in face-to-face and written way. After receiving employee complaints, responsible persons or departments at all levels should immediately investigate them and feed back on the results to the complaining employees to safeguard their legitimate rights and interests

Inclusiveness and Diversity

Diversity is an important source of corporate vitality. The Company adheres to the policy of diversified employment, respects individual differences and unique talents, and strives to create a diverse, equal and inclusive (DEI) development environment. We also care about the welfare of people with disabilities, fully evaluate all positions, provide job opportunities with high job safety and low labor intensity for them, and help them integrate into the group and achieve personal progress.

In 2024

we hired 22 employees with disabilities.

The Company has attached importance to the value of female employees, provided equal opportunities for women, and encouraged them to explore and seize career development opportunities and achieve their life's potential. With the Employee Health Service Center as the venue, we have provided specialized physical examinations such as cervical and breast cancer screening for female employees to strengthen their health protection. We have also organized themed activities for female employees such as the "Women's Day" to fully demonstrate our care and respect for them, and to stimulate their enthusiasm, initiative and creativity.



Performance in Employee Diversity

Indicator	Unit	2024	2023	2022
Total number of employees	Person	2156	2067	2042
Number of vulnerable groups such as disabled employees	Person	22	22	23
Percentage of vulnerable groups such as disabled employees	%	1.02	1.06	1.13
Gender Structure				
Total number of female employees	Person	271	277	294
Proportion of female employees in the total workforce	%	12.57	13.40	14.40
Number of executives (excluding Board of Directors)	Person	10	8	9
Number of female executives	Person	1	-	-
Proportion of female executives	%	10	-	-
Number of Board of Directors	Person	9	9	9
Number of female directors	Person	1	1	1
Percentage of female directors	%	11.11	11.11	11.11
Age Structure				
Number of employees under 30 years old	Person	354	307	303
Number of employees between 30 and 50 years old	Person	1494	1449	1426
Number of employees over 50 years old	Person	308	311	313
Educational Background Structure				
Number of employees with master degree	Person	29	30	25
Number of employees with bachelor's degree	Person	483	453	432
Junior College Degree	Person	753	687	665

Implementation of Welfare and Care

Compensation System

Hengfeng Paper has set up a salary system suitable for the development needs of the Company, providing employees with market-competitive salaries and giving full play to the incentive effect of salaries. The compensation is oriented towards improving market competitiveness and attracting more talents, and is also fair for internal employees, external companies and other individuals.

The Company adopts broadbanding design, compares the impact of each position on the business performance and operational efficiency, and determines the salary scale of each position based on job analysis and position evaluation. During the reporting period, we continued to keep the compensation system scientific and rational, and stimulate the enthusiasm and creativity of employees with performance management, helping them improve their work level and abilities while effectively enhancing the overall business performance of the Company, hereby achieving coordinated development between employees and the Company.

Compensation Structure

- Post salary
- Performance bonus
- Departmental incentives
- Year-end bonus
- Special bonus
- Wage for seniority
- Wage for skills/post rank
- Allowance for night duty
- Subsidy for health
- Other allowances
- Overtime pay
- Social security and housing provident fund

Performance in Compensation and Benefits

Indicator	Unit	2024	2023	2022
Ratio of the annual total salary of the highest-earning individual to the annual median total salary of all employees	/	10	21	15
Gap between unadjusted average salary of male and female employees	%	1	1	1

Benefits and Care

We have kept all the employees in mind, cared about them, strove to build a comprehensive employee security system, and endeavored to provide a comfortable working and living environment, allowing them to work healthily in a relaxing and pleasant atmosphere. To further enhance the welfare of employees, we establish cultural and sports associations such as Hengfeng Running Association, Reading Club, Photography Association, and Badminton Association. We also actively organize a variety of employee activities in order to achieve a balance between work and life.

Recreational Activities Room



"Fitness Month" Series Activities in 2024



Long-Distance Running Competition



"I Celebrate Mid-Autumn Festival in Hengfeng" Themed Activities



“Nourishing Mind with Books, Shaping Soul with Culture” Exchange Activities in Hengfeng



Case Hengfeng conducted pre-holiday visits to convey heartfelt condolences.

On the eve of the Spring Festival in 2024, Hengfeng extended its festival condolences and New Year greetings to the employees who were still on duty, in difficulties, on assignment or could not go home for the New Year on business. This activity conveyed care and warmth to employees, fully demonstrating the people-oriented spirit of Hengfeng.



Case Hengfeng held the 2024-2025 water polo league.

In June 2024, the 2024-2025 water polo league of Hengfeng was grandly opened, and the participating teams demonstrated extremely high economic level and group cohesiveness. This league showed the positive, united and enterprising spirit of the company's employees, and enriched the spare time life of employees.



Case The Company carried out the “Song of Hengfeng” singing practice.

In August 2024, the Company organized a joint singing activity named "Song of Hengfeng", with the participation of employees of all departments. This activity deeply reflected the mission and vision of the Company, expressed the common value pursuit, ideals and beliefs of Hengfeng staff, and added new vitality to drive the high-quality sustainable development.



Case The Company held the 2024-2025 gas volleyball competition.

In November 2024, the Company held the 2024-2025 gas volleyball competition at Hengfeng Sports Center, with the participation of 150 employees, demonstrating their love and pursuit of a healthy lifestyle. During the competition, the contestants embraced the challenges in their optimum state. In the future, we will continue to carry out a variety of cultural and sports activities to create a more harmonious and healthy corporate culture.



Support for Employee Growth

Hengfeng Paper is oriented at talent development. It has established a sound training system and smooth career promotion channels, helping each employee achieve self-development and laying a talent base for the Company's industrial upgrading.

Employee Training

In order to effectively enhance the overall business capabilities of employees and create a scientific training system, the Company has established Hengfeng College and built a comprehensive training platform. We have formulated the *Implementation Plan for Annual Employee Training*, and provided employees with a full range of training courses, so as to constantly improve their professional skills and comprehensive quality.

Case Hengfeng College was awarded the title of Heilongjiang Special Paper Craftsman College.

In August 2024, Hengfeng College was awarded the title of Heilongjiang Special Paper Craftsman College. Hengfeng College will continue to actively develop training resources, enrich training methods, make more training efforts, expand the scope of training, constantly improve the quality and quantity of craftsmanship talent training, and satisfy the learning and development needs of employees at all levels.



Relying on extensive investigation and advanced training platform, we fully tap internal and external course resources, develop personalized training plans for employees at different levels and positions, and train all kinds of qualified managers and operators for the Company. Meanwhile, we analyze the training situation, continuously improve the training management system, provide more targeted training programs, encourage employees to make continuous progress, and help them develop in the long run.

In 2024
 Hengfeng College conducted a total of **99** training sessions including **73** sessions on operational skills
 The percentage of employees receiving skills-related training was **100%**

Post	Training Items
First-line operating post	Focus on practical operation training, including the training on job duties, operation procedures and professional skills for on-the-job employees
Management and professional pos	Focus on management skills training, including the training on professional knowledge, professional proficiency and leadership

Case Plant 7 conducted training on "printing skills improvement".

In May 2024, Plant 7 conducted training on "printing skills improvement", explaining in detail the standardized operation, key points of safety technical regulations, common quality problems and equipment inspection requirements. This training strengthened the understanding of printing section workers about their job responsibilities, enhanced their professional skills, and laid the foundation for subsequent work.



Case The Technical Center conducted training on "basic knowledge of pigment coating".

In order to enhance the understanding and skills of operators and technicians in the production process, technical principles, and quality control of coated paper, the Technical Center invited external experts to conduct training on "basic knowledge of pigment coating". This training provided a comprehensive and in-depth presentation to help relevant personnel fully grasp the core points and technical processes of coated paper production, providing solid theoretical support for subsequent actual production.



Case The Manufacturing Center organized the second session of professional knowledge and skills training for senior technicians.

In order to build a highly skilled craftsman team that leads the development of the special paper industry, the Manufacturing Center organized the second session of professional knowledge and skills training for senior technicians in August 2024, with the participation of machine managers and wire section workers from the plants. This training was closely related to the wire section and press section of the paper machine, gave in-depth analysis on the detailed configuration, performance and working principle of the machine. The theoretical knowledge was introduced with practical operations to ensure that the trainees had a good understanding of them and improved their skills to a new level.



Case Hengfeng held a training, discussion and sharing meeting for reserve cadres.

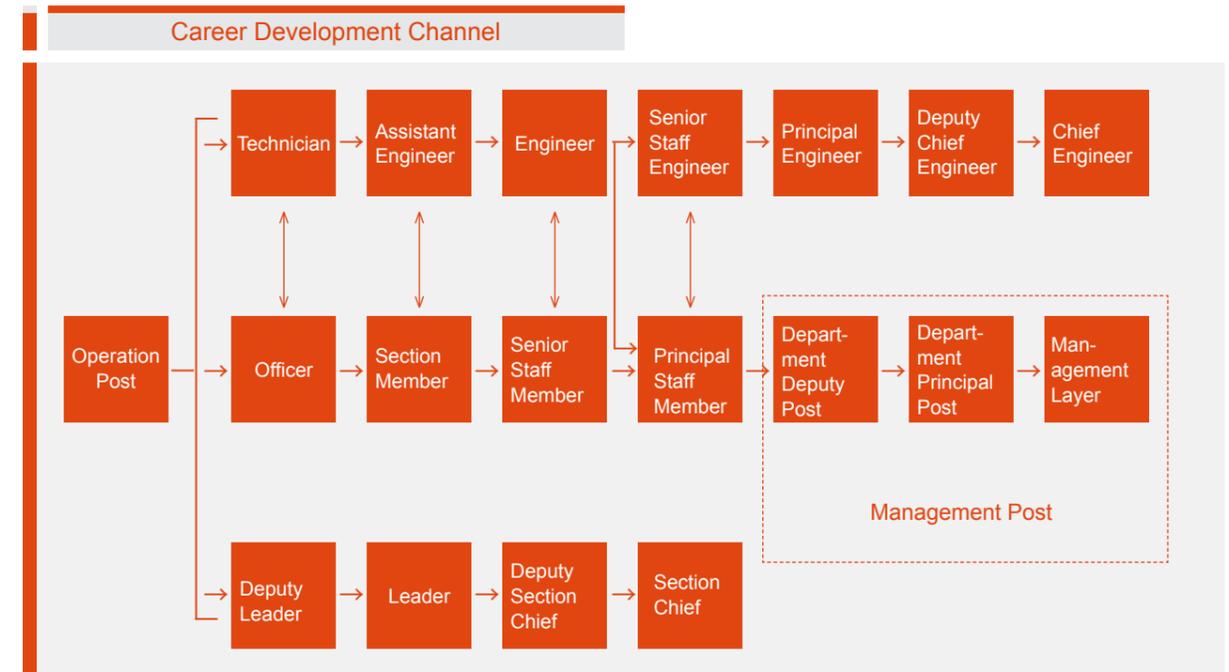
In October 2024, Hengfeng held a training, discussion and sharing meeting for reserve cadres in order to check the training effect in enhancing the comprehensive abilities of reserve cadres. This meeting runs through the theme of "forging ahead with original aspiration, contributing to new era with responsibilities", and the reserve cadres made speeches, shared their gains from learning, training and practice from multiple perspectives. In the future, Hengfeng will continue to create conditions and set up a stage for the promotion of reserve cadres, achieving the purpose of pass-on, assistance and guidance.



Employee Development

Hengfeng Paper has implemented the rules and regulations such as the *Implementation Plan for the Construction and Management of Talent Team*, the *Management Measures for Occupational Skills Assessment and Appointment of Employees in Operational Positions*, the *Documentary Measures for Cadres Selection and Appointment of Hengfeng Group*,

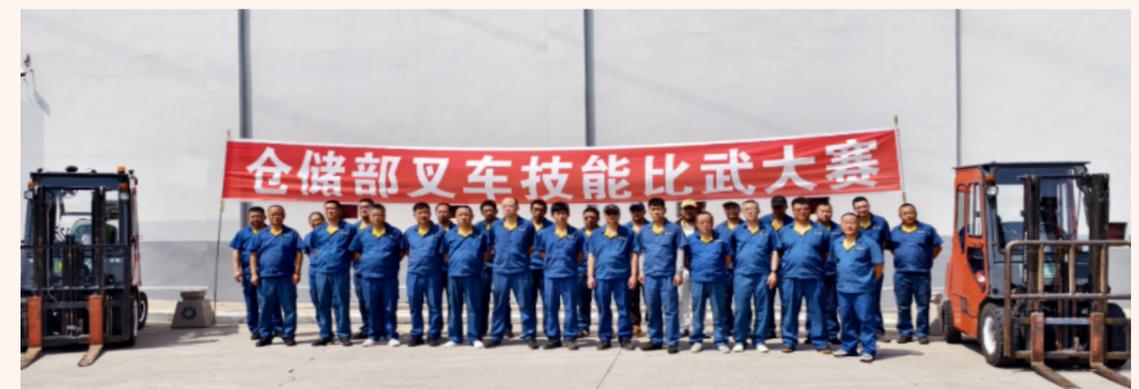
and the *Management Measures for Competitive Recruitment of Management Personnel in Hengfeng Group*, so as to provide employees with fair opportunities and smooth channels for employee development. We have set up career development sequences in management, technology, operations, etc., and employees can be promoted through competition, selection, recommendation, evaluation, and other methods. We guide employees in making career planning, and help them choose a suitable career development path based on their interests and strengths, in order to achieve their personalized development.



The Company has leveraged the driving role of skills competitions in talent development, and regularly organized vocational skills competitions in the combination of theoretical testing and practical operation. The Company sets up a stage for employees to grow up and become successful, aiming to promote the competition and exchange among internal talents, create a good atmosphere of "comparison, learning, catching-up, helping, and surpassing", and provide strong support for the development of the Company.

Case The Warehouse Department held a forklift skills competition called "Promoting Safety, Enhancing Skills, and Exhibiting Charm".

To enhance the safe operation skills of forklift drivers, the Warehouse Department held a forklift skills competition on June 19, 2024. With careful planning, the Warehouse Department took the forklift skills competition as a practical classroom of "promoting learning, training and practice by competition", which provided a platform for employees to show their skills and learn from each other, and practiced the "Craftsmanship Spirit" advocated by the Company.



Case Hengfeng held a skills competition for slitting positions.

In August 2024, the Hengfeng Skills Competition kicked off again, the slitting technicians from different positions gathered together to showcase their exquisite skills in full enthusiasm and wisdom. On the field, the participants were skilled and precise in operation, and the referees were strict and meticulous in judging. In the future, we will enrich and expand the contents and forms of skills competition, and provide a stage for employees to show themselves and improve their skills.



Performance in Employee Training and Development

Indicator	Unit	2024	2023	2022
Number of training sessions	Time	99	105	125
Number of employees receiving training	Person-time	4608	5314	4507
Average training hours per employee	Hour	9.33	16.08	12.08
Training coverage rate	%	100	100	100
Percentage of employees undergoing skills-related training	%	100	100	100
Percentage of employees undergoing performance and career development assessments	%	100	100	100

Occupational Health and Safety

Management System

Hengfeng Paper firmly holds to the concept of safe development, and endeavors to provide strong support and protection for the occupational health and safety of every employee. We have strictly complied with the Workplace Safety Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, and other applicable laws and regulations in the place of operation. We followed the occupational health and safety management policy of "people foremost, health and safety protection", formulated and updated the supporting management systems, and continuously improved the construction of occupational health and safety management system.

In 2024
the Company maintained the ISO 45001 occupational health and safety management system certificate valid.



Certificate of ISO 45001 Occupational Health and Safety Management System

The Company has established an occupational health and safety responsibility system for all employees, set up a workplace safety committee and a workplace safety office, formed an efficient management framework, and fully carried out occupational health and safety management at different levels and categories, allowing every employee to participate in it, ensuring that management measures are implemented in place, and resolutely ensuring to safeguard the bottom line.

Achievements of Occupational Health and Safety in 2024

- Zero fatal incident
- Zero incident of 1,000 people injured seriously
- Zero incidence of occupational diseases
- Zero fire incident
- 97 workplaces assessed and tested for occupational hazards
- 100% coverage rate for both annual occupational health examinations and occupational health records

Occupational Health Protection

The Company has actively implemented comprehensive and effective management measures and strengthened the management of prevention and control of occupational hazards through the implementation of the *Measures for the Management of Employees' Occupational Health*, the *Management Program for Occupational Health and Safety Targets*, the *Regulations on Occupational Health Managements*, etc., to prevent, control and eliminate occupational hazards and safeguard the healthy rights and interests of employees.

Detection of occupational hazard factors

We have entrusted a qualified occupational health technical service institution to test the occupational hazard factors in the workplace, identify the existing occupational hazard factors, and analyze their hazard rating and impact on workers' health. The Company has put up the Test Report of Occupational Hazards in a prominent position in the workplace, and set up occupational health warning signs to inform employees of relevant risks. The Company has improved the production processes to reduce the occupational health hazards of the working environment.

In 2024
the Company assessed and tested occupational hazard factors in 97 workplaces.

Occupational health examination

We regard occupational health examination as an important means of preventing and treating occupational diseases. For key posts involving potential occupational hazards, we provide employees with pre-job, on-the-job and post-job physical examinations, and establish an occupational health monitoring file mechanism to record their occupational health information. For employees with occupational contraindications, we transfer their positions in time and make proper treatment. For those found to have suffered health damage or in need of re-examination, medical observation or treatment should be arranged as recommended by the occupational health examination institution.

In 2024
the Company's incidence of occupational diseases was zero, and the coverage rate of occupational health examination was 100%.

Performance in Occupational Health Examination

Indicator	Unit	2024	2023	2022
Number of employees diagnosed with occupational diseases	Person	0	0	0
Number of employees diagnosed with occupational contraindications	Person	0	0	0
Coverage Rate of Employee Physical Exam (for positions with occupational hazards)	%	100	100	100

Labor protection

The Company provides employees with personal protective equipment (PPE) that meet the requirements of prevention and treatment of occupational diseases, and strictly guarantees that they meet national or industry standards. Employees must wear the PPE correctly when starting their job. Those who do not wear and use the PPE as specified shall not work. We are also equipped with occupational disease prevention facilities and emergency rescue facilities, and regularly inspect them to ensure their normal operation.



Radioactive Personal Protective Equipment

In 2024, the Company set up a special fund for the budget expenditure of the PPE, and arrange dedicated personnel to count and report the PPE number monthly required. The Workplace Safety Office will approve the report, uniformly purchase the PPE and distribute them.



Wearing Workwear and Safety Shoes



Hazard Factor Monitoring Instrument

Prevention of repetitive strain injury (RSI)

Repetitive strain injury (RSI) is an increasingly threatening factor to employee health. In order to effectively reduce, avoid and prevent the RSI, the Company is equipped with automated equipment such as AGV, electric tray carriage, robot, automatic packaging machine, and automatic packaging line, which can reduce a large number of repetitive physical labor, lower the incidence rate of RSI, and protect the health of employees.

Facilities & equipment	Functions	Pictures
AGV	Stack the packaged products neatly without human operation, reducing manual labor and improving work efficiency	
Electric tray carriage	Do not require manual pushing, just control its direction	
Robot	Replace the manual stacking of paper trays after slitting, automatically identify tray numbers and stack the trays	
Automatic packaging machine	Automatically package the stacked paper trays instead of manual packaging	
Automatic packaging line	Convey the packaged paper tray by a chain conveyor to the next station, reducing manual handling	

Case The launching ceremony of the Publicity Week of Occupational Disease Prevention and Control Law was held by Hengfeng in Mudanjiang City.

From April 25 to May 1, 2024, the 22nd Publicity Week of Occupational Disease Prevention and Control Law was held in Hengfeng, with the theme of "Adhering to Prevention as the Main Priority, Guarding Occupational Health". The Company took this activity as an opportunity to further implement the policy of "prevention first", and made efforts to improve the working conditions, so as to create a healthier and safer working environment for the employees.



Workplace Safety Management

Hengfeng Paper firmly believes that workplace safety is the foundation for its healthy development. We have formulated the *Management System for the Withdrawal and Use of Workplace Safety Expenses*, standardized the management of special funds for workplace safety, and promoted the workplace safety in a standardized and regulated way, effectively preventing and reducing workplace safety incidents and safeguarding the lives of employees.

Dual prevention mechanism

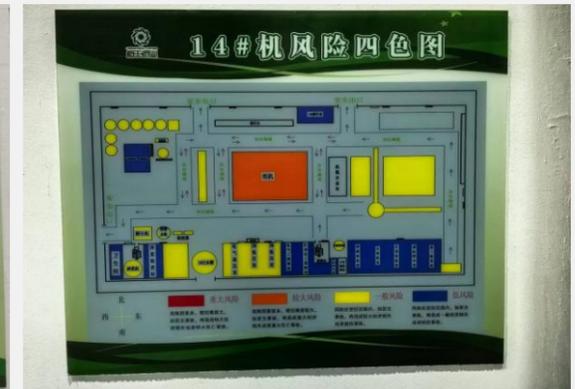
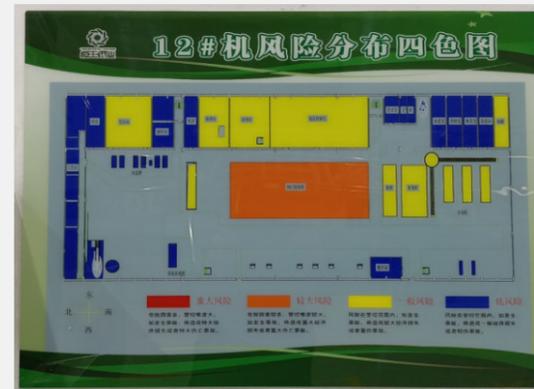
We have made solid progress in the establishment of a dual prevention mechanism for multi-level control of safety risks and identification and management of hidden hazards, regularly conducting safety risk identification and hazard investigation, and improving the level of workplace safety. On the one hand, in order to prevent and reduce the emergencies from the source, we have established a multi-level risk control mechanism, draw a four-color map according to the risk level, and defined the control responsibilities and responsible persons at all levels. We have also publicized information such as hazard source, risk notification card, and risk four-color chart to enhance the safety risk prevention capabilities of all employees.



Risk Bulletin Board



Risk Notification Card



Risk Four-Color Chart

On the other hand, the Company continually optimizes the investigation and rectification of safety hazards, and investigates and manages hidden hazards in an all-round way. The hidden hazard investigation includes daily workplace safety inspections, regular workplace safety inspection, seasonal and holiday workplace safety inspection, professional (special) workplace safety inspection, and comprehensive workplace safety inspection. The Workplace Safety Office regularly summarizes and reports on incident hazards, and supervises the rectification effect. We have formulated the Incentive System for Workplace Safety Management to mobilize all employees to participate in hazard management.

In addition, in order to effectively reduce the safety risks and hazards of special equipment, the Company conducts regular safety inspections on special equipment.

In 2024

we completed safety inspections for 16 elevators, 61 forklift trucks, 24 cranes, 29 pressure vessels, and 9 thermal medium boilers.

Management of workplace safety incidents

The Company attaches great importance to the management of workplace safety incidents and continuously implements the incident accountability system to prevent and reduce workplace safety incidents. In the event of an incident, the responsible person is required to report to the Workplace Safety Office, Human Resources Department and the manager-in-charge as soon as possible, immediately organize the rescue of the injured, and take effective measures to prevent the incident from aggravation and protect the incident scene. In order to prevent the recurrence of similar incidents, all departments need to analyze the cause, and develop and implement appropriate corrective measures. We always associate safety incident with performance bonus, awarding and excellence selection in order to enhancing the safety awareness of all employees and promote the effective implementation of workplace safety.

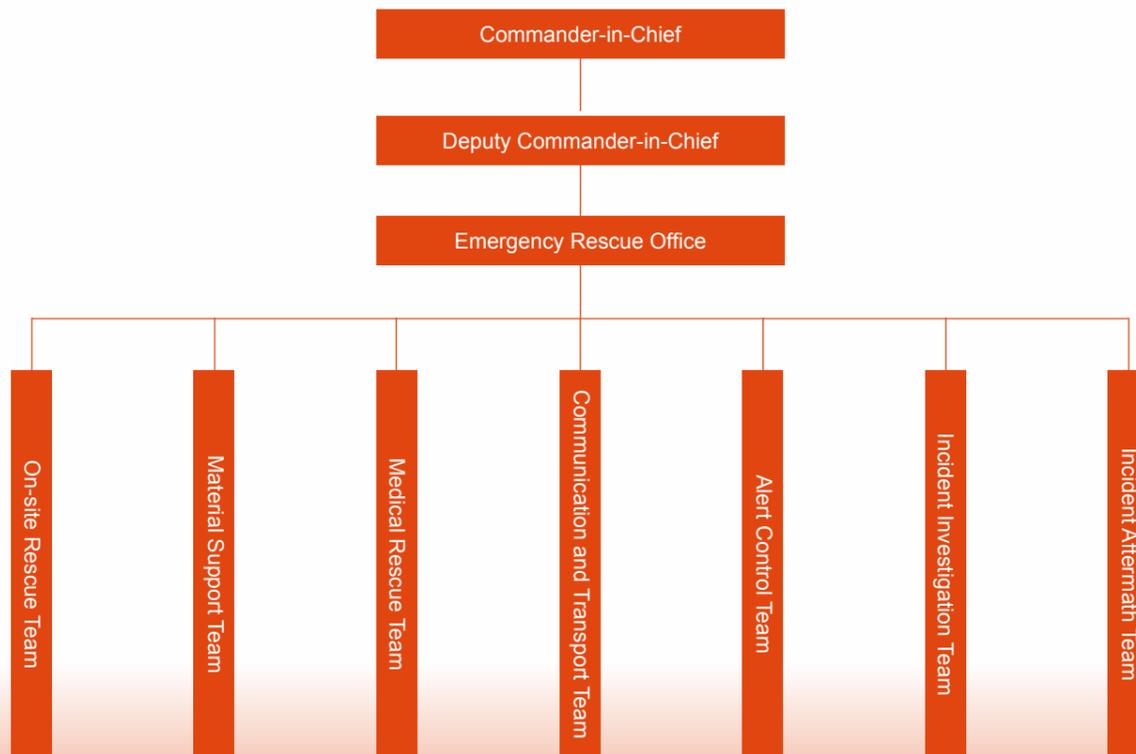
Safety emergency management

We formulated the Emergency Rescue Management System for Workplace Safety Incidents, developed the Emergency Rescue Management Plan for Workplace Safety Incidents, established a comprehensive emergency management system, set up emergency management agencies at all levels, defined the emergency support responsibilities of all departments, and conducted emergency drills and training regularly in accordance with regulations, effectively improving the overall rapid response and emergency response of the team.

In 2024

we organized 13 emergency plan drills, including 2 drills for special emergency rescue plan and 11 for on-site disposal plan.

Structural Chart of Emergency Response Organization



Emergency Drill for Fire Incident in Quality Control Department



Emergency Drill for Mechanical Injury Incident in Paper Making Plant 6



Case

Paper Making Plant 2 conducted emergency drills for mechanical injury incidents.

In June 2024, Paper Making Plant 2 organized an emergency drill for mechanical injury incidents. The drill simulated the scenario where "an employee's arm was scratched by dry mesh when removing broken paper". The Section Chief immediately reported the incident after finding it, and activated the on-site emergency response plan. After receiving the alarm, the Commander-in-Chief and Deputy Commander-in-Chief responded quickly, organized the Rescue Support Team to shut down the equipment and cut off the power supply, and commanded the rescue teams to rescue according to the plan. After the drill, the Plant conducted a summary and review and pointed out the direction of subsequent drill optimization.



Case Paper Making Plant 5 conducted emergency rescue training on first aid and cardiopulmonary resuscitation for electric shock.

In order to further enhance employees' safety awareness and first aid skills, Paper Making Plant 5 organized and carried out emergency rescue training on first aid and cardiopulmonary resuscitation for electric shock in April 2024. This training was to simulate the scenario on site where "the operator of T2 paper machine was electrocuted and unconscious, and then rescued with cardiopulmonary resuscitation". During the demonstration, the training expert emphasized the fallible and difficult points of operation, guided and corrected the actual operations of employees, and ensured that each employee could correctly master the resuscitation correctly. This training helped employees master the practical techniques of cardiopulmonary resuscitation, enriched their first-aid skills, and improved their ability to respond to electric shock incidents.



Construction of Safety Culture

The Company has established the *Safety Education and Training System*, created a workplace safety culture covering all employees, strengthened their safety awareness and execution ability, and enabled them to reach a consensus on safety values and safety goals, creating a good atmosphere of "Everyone Putting Safety First". The Company provides employees with safety education at three levels, that is, company level, plant level, and section/team level, enabling them to have necessary safety skills.

Case Paper Making Plant 4 conducted safety training for the startup of 22# machine.

In December 2024, Paper Making Plant 4 conducted safety training for the employees on duty of 22# machine in three batches. In this safety training, the safety incident cases were analyzed in combination with actual problems that might be encountered in the startup of 22# machine and personal understanding of safety. In this way, the employees gained a more intuitive and profound understanding of specific working environment, risks and hazards, so that they could always remain vigilant in their work, effectively avoid safety incidents, and do a good job in safety management with high standards in case of new environment, equipment and employees.



Training Site



Training Courseware

Case The Workplace Safety Office invited external experts to share their experience in workplace safety management.

In October 2024, the Workplace Safety Office invited the Safety Director of Budweiser Group to share their experience in workplace safety management. This sharing session helped the attending employees learn about the safety management experience of excellent enterprises, and provided them with new ideas and methods, further promoting the development of the Company's workplace safety work.



The Company took the "Workplace Safety Month" as an opportunity to carry out a series of workplace safety education activities. During the Workplace Safety Month in 2024, the Company carried out specific activities each week with the themes of "Creating a Safety Atmosphere", "Improving Safety Awareness", "Strengthening Safety Foundation" and "Smooth Access to Help". All plants and departments responded positively, effectively improving the safety awareness of all employees, further enhancing the Company's workplace safety management, and creating a safety culture with Hengfeng characteristics.



Publicity, Training and Practice of "Workplace Safety Month" Activities in Warehouse Department



"Workplace Safety Month" Theme Activities in Plant 1



"Workplace Safety Month" Theme Activities in Plant 3



"Workplace Safety Month" Theme Activities in Plant 5



"Workplace Safety Month" Theme Activities in Plant 6



"Workplace Safety Month" Theme Activities in Plant 7



"Workplace Safety Month" Theme Activities in Thermal Power Plant

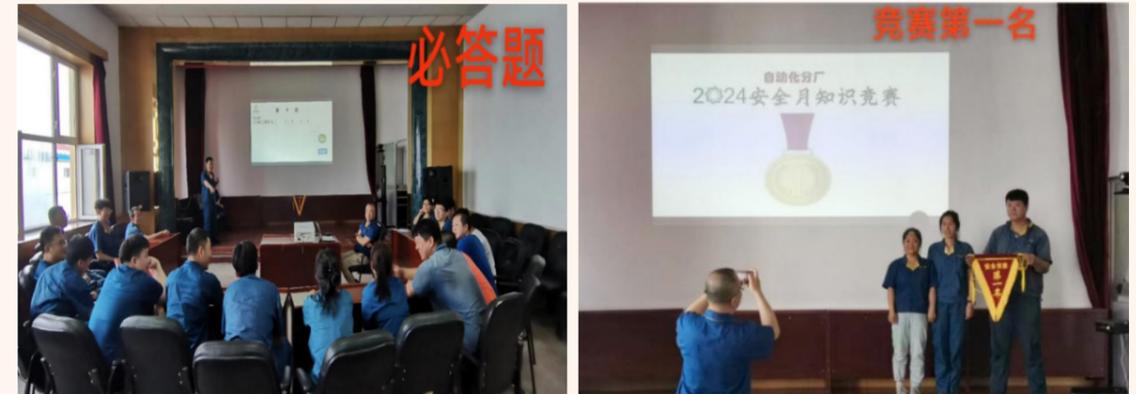
Case Paper Making Plant 4 and Repair Workshop carried out the themed activity of "For Whom Safety is Important".

During the Workplace Safety Month, Paper Making Plant 4 and Repair Workshop carried out the themed activity of "For Whom Safety is Important". The employees were active in making statement, shared their understanding of safety, and put forward valuable suggestions and opinions, injecting new vitality and wisdom into safety management, and further making "preventing risks and ensuring safety" a common pursuit and conscious activity for all the employees.



Case The Automation Plant carried out a series of "Workplace Safety Month" Activities.

In order to implement the guiding thought of the "Workplace Safety Month" Activities in 2024, the Automation Plant carried out a series of workplace safety activities, covering safety essay, family safety message, safety emergency drill, safety handout, short video, safety knowledge competition, and "For Whom Safety is Important" discussion, etc., aiming to enhance the safety awareness of employees in an all-rounded and multi-dimension manner, and ensure that each employee can profoundly realize the importance of guarding the lives of themselves and others, thus guaranteeing the continuous safety and stability of the Company's production.



Safety Knowledge Contest

Performance in Workplace Safety

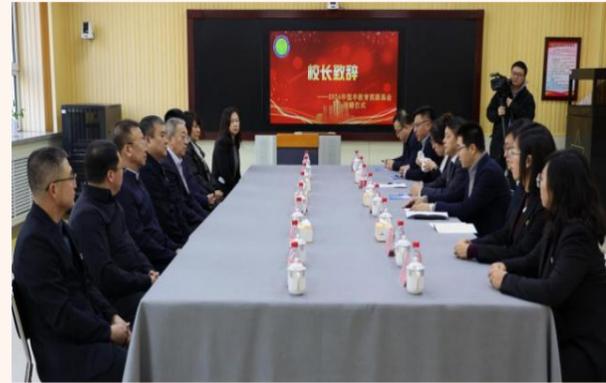
Indicator	Unit	2024	2023	2022
Investment in workplace safety	RMB 10,000	518	366	226
Lost workdays due to work-related injuries	Each	3	6	8
Number of lost workdays due to work-related injuries	Day	51	102	136
Percentage of operational sites undergoing health and safety risk assessment	%	100	100	100

Commitment to Public Welfare

Hengfeng Paper has always taken "social satisfaction" as the purpose of running the enterprise and actively engaged in public welfare undertakings. The Company has paid close attention to vulnerable groups in society, actively expanded the theme of public welfare activities, fulfilled corporate social responsibilities, and made unremitting efforts to build a harmonious and stable social environment.

Case The donation ceremony for the 2024 Hengfeng Education Incentive Fund was held at No. 15 Middle School.

Hengfeng has adhered to the concept of "caring about education, warming teachers and students, and building the future together with schools and enterprises", and actively participated in the cause of education, bringing more hope for children. The Company donated education incentive fund to No. 15 Middle School and Donghua Primary School to help them improve the education and teaching environment. With practical actions, Hengfeng practiced the tenet of "social satisfaction" and contributed to the vigorous development of the local education cause.



Case Hengfeng carried out "voluntary blood donation".

To effectively fulfill the social responsibility, Hengfeng volunteers assembled at the temporary blood donation point of the Employee Health Service Center and actively participated in "voluntary blood donation". This activity demonstrated Hengfeng's sense of social responsibility and the dedication of employees once again, and interpreted the value of life and the public welfare concept of boundless love.



Case Fast response to the "flood defense" - Hengfeng showcased its corporate responsibility

In July 2024, the Company appointed the Equipment Energy Office to set up a flood prevention and rescue team in conjunction with the Water Supply and Drainage Plant and the plants of the Manufacturing Center to combat and floods. The departments made fast response, and more than 40 Hengfeng employees quickly installed 3 high-displacement diesel pumps and 10 submersible electric pumps, effectively alleviating the impact of the flood and making Hengfeng contributions to defeating the flood.



Appendix

Content Index

SDGs Content Index

SDGs	Our Actions	Chapters
	<ul style="list-style-type: none"> We continually put in more efforts to help employees in difficulty, got to know their needs, and took measures such as visit to hospitalized employee, regular condolences, and fund-raising for critically ill employee, helping them tide over difficult times. 	Implementation of Welfare and Care
	<ul style="list-style-type: none"> We recruited any employees in an equal and fair manner, incorporated equality and non-discrimination into the procedures of recruitment, onboarding, promotion and offboarding, and provided fair and equitable development opportunities for every employee. We set up a salary system suitable for the development needs of the Company, providing employees with market-competitive salaries and giving full play to the incentive effect of salaries. We kept all the employee in mind, cared about them, and strove to build a comprehensive employee security system. We followed the occupational health and safety management policy of "people foremost, health and safety protection", formulated and updated the supporting management systems, and continuously improved the construction of occupational health and safety management system. 	Protection of Employees' Rights and Benefits Implementation of Welfare and Care Occupational Health and Safety
	<ul style="list-style-type: none"> We set up Hengfeng College, built a complete training platform, and provided employees with a full range of training courses. We took the initiative in education, donated education incentive fund, and helped primary and secondary schools to improve the education and teaching environment. 	Support for Employee Development Commitment to Public Welfare
	<ul style="list-style-type: none"> We attached importance to the value of female employees, provided equal opportunities for women, and encouraged them to explore and seize career development opportunities and achieve their life's potential. With the Employee Health Service Center as the venue, we provided specialized physical examinations for female employees to strengthen their health protection. 	Inclusiveness and Diversity
	<ul style="list-style-type: none"> We actively introduced the international sustainable water management standards (AWS), developed a set of water sustainability program (WSP), and established a well-developed water resources management system. 	Optimization of Resource Utilization
	<ul style="list-style-type: none"> We continued to explore the potential of energy conservation and consumption reduction, and launched a series of projects, effectively reducing energy consumption and improving energy efficiency. We scaled up the layout of renewable energy sources, installed rooftop PC power facilities, actively purchased green electricity, and gradually reduced the use of fossil fuels. 	Optimization of Resource Utilization
	<ul style="list-style-type: none"> We have set up a variety of communication methods to collect the thoughts of employees. The employees can express their ideas through channels such as the smart union platform, union mailbox, company website, integrated media platform, and internal online communication. 	Protection of Employees' Rights and Benefits
	<ul style="list-style-type: none"> We continuously explored new initiatives and mechanisms for development and construction, and promoted systematic reforms on the construction of scientific research teams, the industry-university-research integration, and other elements, providing inexhaustible innovation power for cultivating New quality productive forces. 	Promotion of Technological Innovation

Appendix

Content Index

SDGs Content Index

SDGs	Our Actions	Chapters
	<ul style="list-style-type: none"> We also care about the welfare of people with disabilities, fully evaluate all positions, provide job opportunities with high job safety and low labor intensity for them, and help them integrate into the group and achieve personal progress. 	Inclusiveness and Diversity
	<ul style="list-style-type: none"> We established a comprehensive quality management system to monitor and control the quality of products throughout their life cycle, continuously improving our quality management level. We were always centered on customer demand and committed to providing leading products and high-quality services to global customers. 	Pursuit of Excellent Quality Enhancement of Customer Services
	<ul style="list-style-type: none"> We joined the Science Based Targets initiative (SBTi) in August 2023, committing to set the latest science-based emissions reduction target against 1.5°C. In November 2024, the Company was rated as the first special paper enterprise with clear science-based carbon targets. We referred to greenhouse gas accounting standards such as ISO 14064 and GHG Protocol, identified the main sources of our GHG emissions, conducted GHG emissions accounting, and evaluated our performance in addressing climate change. 	Climate change response
	<ul style="list-style-type: none"> We prioritize the procurement of FSC-certified raw materials, particularly wood pulp, and advocate for wood pulp suppliers to practice the sustainable forest management, ensuring that the final products come from certified and well-managed forests, so as to avoid over-harvesting and damage to the ecological environment, maintain the ecological functions of the forests, and conserve the biodiversity of the forests. 	Biodiversity Conservation
	<ul style="list-style-type: none"> We established a three-level sustainable development management structure, namely "decision-making, management and implementation", and created a top-down sustainable development management system with clear powers and responsibilities. We adhered to applicable laws and regulations, as well as the guidelines for clean governance and anti-corruption, continued to purify the political ecosystem by risk identification, system construction, training and publicity and thematic actions, promoted the improvement of Party conduct and clean government, and delivered more solid outcomes in the anti-corruption efforts. 	Sustainable Development Governance Compliance with Business Ethics
	<ul style="list-style-type: none"> We communicated with the stakeholders via multiple communication mechanisms and channels, and took a series of measures to respond to their demands and expectations in terms of sustainable development, thus demonstrating a responsible corporate image. We took the initiative to assume industry responsibilities, participated in a number of industry associations, and worked together with industry partners to achieve a sustainable future. We regarded sustainable development as an important part of procurement, managed the supply chain across the whole process, and incorporated ESG management requirements in the supply chain construction. 	Sustainable Development Governance Leading the Joint Contribution to the Industry Sustainable Supply Chain

Appendix

Content Index

GRI Content Index

Statement of Use			
Mudanjiang Hengfeng Paper Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024 with reference to the GRI Standards.			
GRI 1 used			
GRI 1: Foundation 2021			
GRI Standard	Disclosure	Location	
GRI2: General Disclosures 2021	The organization and its reporting practices	2-1 Organizational details	Company Profile
		2-2 Entities included in the organization's sustainability reporting	About the Report
		2-3 Reporting period, frequency and contact point	About the Report
		2-5 External assurance	Third-party Assurance Inspection Statement
	Activities and workers	2-6 Activities, value chain and other business relationships	Company Profile
		2-7 Employees	Prioritizing the Principle of People Foremost to Gather the Power of Goodness
	Governance	2-9 Governance structure and composition	Improvement of Corporate Governance
		2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Governance
		2-13 Delegation of responsibility for managing impacts	Sustainable Development Governance
		2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Governance
		2-15 Conflicts of interest	Compliance with Business Ethics
		2-16 Communication of critical concerns	Communication with Stakeholders
		2-17 Collective knowledge of the highest governance body	Sustainable Development Governance
		战略、政策和实践	2-22 Statement on sustainable development strategy
	2-23 Policy commitments		Sustainable Development Governance
	2-24 Embedding policy commitments		Sustainable Development Governance
	2-25 Processes to remediate negative impacts		Compliance with Business Ethics
	2-26 Mechanisms for seeking advice and raising concerns		Compliance with Business Ethics
	2-27 Compliance with laws and regulations		Refer to the Report
	2-28 Membership associations		Leading the Joint Contribution to the Industry
	利益相关方的参与	2-29 Approach to stakeholder engagement	Communication with Stakeholders
		2-30 Collective bargaining agreements	Protection of Employees' Rights and Benefits

Appendix

Content Index

GRI Content Index

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Management of Material Topics
	3-2 List of material topics	Management of Material Topics
	3-3 Management of material topics	Management of Material Topics
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Company Profile
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance with Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Compliance with Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Compliance with Business Ethics
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Optimization of Resource Utilization
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Optimization of Resource Utilization
	303-2 Management of water discharge-related impacts	Optimization of Resource Utilization
	303-3 Water withdrawal	Optimization of Resource Utilization
	303-4 Water discharge	Optimization of Resource Utilization
	303-5 Water consumption	Optimization of Resource Utilization
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Conservation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate change response
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change response
	305-3 Other indirect (Scope 3) GHG emissions	Climate change response
GRI 306: Waste2020	306-1 Waste generation and significant waste-related impacts	Standardization of Pollutant and Waste Treatment
	306-2 Management of significant waste-related impacts	Standardization of Pollutant and Waste Treatment
	306-3 Waste generated	Standardization of Pollutant and Waste Treatment
	306-4 Waste diverted from disposal	Standardization of Pollutant and Waste Treatment
	306-5 Waste directed to disposal	Standardization of Pollutant and Waste Treatment
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Implementation of Welfare and Care
	401-3 Parental leave	Implementation of Welfare and Care

Appendix

Content Index

GRI Content Index

GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Support for Employee Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Support for Employee Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Improvement of Corporate Governance Inclusiveness and Diversity
	405-2 Ratio of basic salary and remuneration	Implementation of Welfare and Care
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protection of Employees' Rights and Benefits
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protection of Employees' Rights and Benefits
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Protection of Employees' Rights and Benefits
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protection of Employees' Rights and Benefits
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pursuit of Excellent Quality
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Upholding Security in Information

Appendix

Content Index

Indexes for Preparation of Sustainable Development Reports of Listed Companies Issued by Shanghai Stock Exchange

Dimensions	S/N	Topics	Chapters
Environment	1	Climate change response	Climate change response
	2	Pollutant Emissions	Standardization of Pollutant and Waste Treatment
	3	Waste treatment	Standardization of Pollutant and Waste Treatment
	4	Ecosystem and Biodiversity Conservation	Biodiversity Conservation
	5	Environmental Compliance Management	Strengthening Environmental Management
	6	Energy Utilization	Optimization of Resource Utilization
	7	Water Resources Utilization	Optimization of Resource Utilization
	8	Circular Economy	Standardization of Pollutant and Waste Treatment Optimization of Resource Utilization
Society	9	Rural Revitalization	/
	10	Society Contribution	Commitment to Public Welfare
	11	Innovation-driven	Promotion of Technological Innovation
	12	Science and Technology Ethics	/
	13	Supply Chain Security	Sustainable Supply Chain
	14	Equal Treatment to Small and Medium-sized Enterprises	Sustainable Supply Chain
	15	Safety and Quality of Product and Service	Pursuit of Excellent Quality Enhancement of Customer Services
	16	Data Security and Customer Privacy Protection	Upholding Security in Information
	17	Employees	Prioritizing the Principle of People Foremost to Gather the Power of Goodness
Governance Related to Sustainable Development	18	Due Diligence	Sustainable Development Management
	19	Communication with	Sustainable Development Management
	20	Anti-Commercial Bribery and Anti-Corruption	Compliance with Business Ethics
	21	Anti-Unfair Competition	/

Appendix

Inspection Statement



INDEPENDENT VERIFICATION STATEMENT



Bureau Veritas Certification

Objectives of Work

Bureau Veritas Certification (Beijing) Co., LTD (“BUREAU VERITAS”) has been engaged by **Mudanjiang Hengfeng Paper Co., Ltd.** to conduct an independent verification of its **2024 ESG Report (the “Report”)**. This Verification Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of **Mudanjiang Hengfeng Paper Co., Ltd.** Our sole responsibility was to provide independent verification on the accuracy of information included.

Scope of Work

Mudanjiang Hengfeng Paper Co., Ltd. requested Bureau Veritas to verify the accuracy of the following:

- Data and information included in the **Report** for the **2024.1.1-2024.12.31**.

Excluded from the scope of our Verification is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by **Mudanjiang Hengfeng Paper Co., Ltd.**) and statements of future commitment;
- Financial data and information that has been audited by a third party.

Level of assurance: limited assurance level

Verification standard

1. International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 (Revised)”), developed by the International Auditing and Assurance Standards Board;

Methodology

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of **Mudanjiang Hengfeng Paper Co., Ltd.**;
2. Review of documentary evidence produced by **Mudanjiang Hengfeng Paper Co., Ltd.**;
3. Audit of performance data, tracing and checking the sample data according to the sampling principle;
4. Review of **Mudanjiang Hengfeng Paper Co., Ltd.** systems for quantitative data aggregation and analysis.

Our work was conducted against Bureau Veritas' standards for external Verification of Non-financial Reports, based on current best practice in independent assurance. The validation work was planned, carried out and concluded based on the limited, rather than absolute assurance, as determined by Bureau Veritas.

Verification Conclusion

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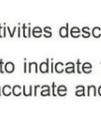
Page 1 of 2

Appendix

Inspection Statement



INDEPENDENT VERIFICATION STATEMENT



Bureau Veritas Certification

On the basis of our methodology and the activities described above, it is our opinion that:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- It is our opinion that **Mudanjiang Hengfeng Paper Co., Ltd.** has established appropriate systems for the collection, aggregation and analysis of quantitative data.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with **Mudanjiang Hengfeng Paper Co., Ltd.** We have conducted this verification independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.



Director of Greater China Region
Bureau Veritas Certification (Beijing) Co., LTD
2025-02-28

Stella Hou
Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., LTD
2025-02-28

Bureau Veritas Certification





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Page 2 of 2

Feedback

Thank you very much for reading the *2024 Sustainable Development Report of Mudanjiang Hengfeng Paper Co., Ltd.* In order to continuously improve our sustainable development and provide valuable information to stakeholders, we sincerely invite you to give us your valuable comments and suggestions on the Report through the following ways. Thanks for your substantial support to our sustainable development!

Tel.: 0453-6886586

E-mail: txglb@hengfengpaper.com

Address: No. 11, Hengfeng Road, Yangming District, Mudanjiang City, Heilongjiang Province, China

1. For Hengfeng Paper, your identity is

- Shareholder & Investor
- Shareholder & Investor
- Customer
- Employee
- Supplier
- The Public
- Media and Other Third-Party Organization
- Other (please specify)

2. Your overall assessment on the Report is

- Very Good
- Good
- Average
- Poor
- Very Poor

3. Response to and disclosure of stakeholder concerns in the Report are

- Very Good
- Good
- Average
- Poor
- Very Poor

4. Clarity, accuracy and completeness of the information, indicators and data disclosed in the Report are

- Very Good
- Good
- Average
- Poor
- Very Poor

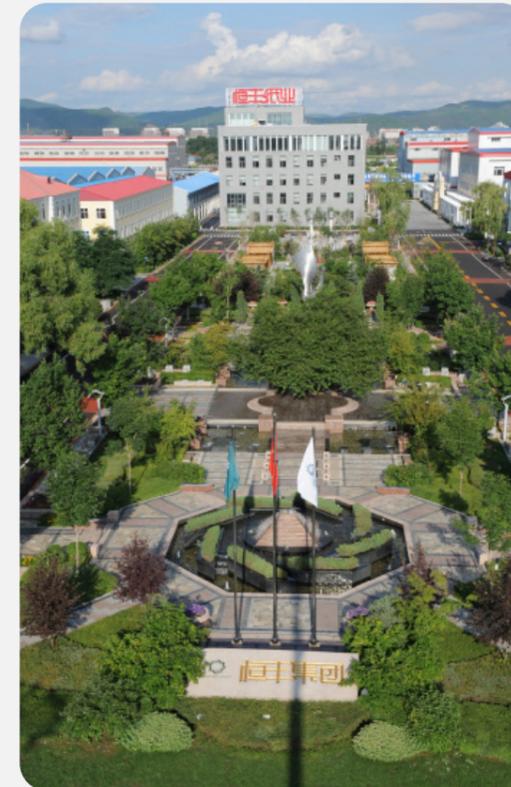
5. The text, structural arrangement, and layout design of the Report are

- Very Good
- Good
- Average
- Poor
- Very Poor

6. What do you like most about the Report?

7. What other information would you like to see in the Report besides the disclosed content?

8. Do you have any comments or suggestions on our sustainable development?



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