

2023

Environmental Social and Governance Report



Tel: 0512-58291688

Headquarters Address: No. 80 Chenghang East Road, Yangshe Town,
Zhangjiagang City, Suzhou, Jiangsu Province, China.



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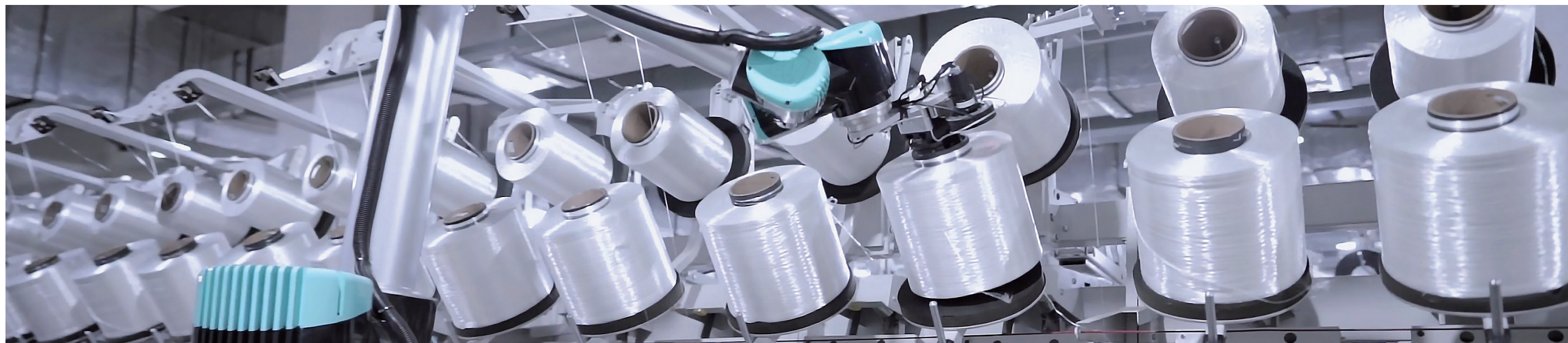
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01 About this Report

Junma Tyre Cord Company Limited has published its second Environmental, Social, and Governance report (hereinafter referred to as “this report”). The purpose of this report is to disclose the company’s ESG-related strategies, management measures, and performance in response to stakeholders’ expectations regarding the company’s sustainable development and information disclosure. It aims to help stakeholders understand the opportunities and challenges the company faces in the process of sustainable development, as well as the efforts made to achieve sustainable goals and to create value together with stakeholders.

1.1 Basis of the Report

This report has been prepared with reference to the Global Sustainability Standards Board (GSSB) “Sustainability Reporting Standards (GRI Standards)” and the United Nations Sustainable Development Goals (UN SDGs).

1.2 Reporting Scope

Reporting Period: January 1, 2023 to December 31, 2023. Some content extends beyond the mentioned time frame.

Release Cycle: Annual report.

Entities Covered: The content of this report covers Junma Tyre Cord Co., Ltd.

1.3 Obtaining the Report

The report is available in both Chinese and English, in printed and online versions. You can access the online version of the report on the official website of Junma Group (www.jsjunma.com).

In the event of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

1.4 Explanation of References

For ease of expression, in this report, ‘Junma Tyre Cord’ , ‘the company’ , or ‘we’ refer to Junma Tyre Cord Company Limited.

1.5 Contact Information

If you have any questions or suggestions regarding the content of this report or Junma Tyre Cord ESG work, please contact us through the following ways:

Headquarters Address: No. 80 Chenghang East Road, Yangshe Town, Zhangjiagang City, Suzhou, Jiangsu Province, China.

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Email: office@junmachina.com

1.6 Other Statements

Junma Tyre Cord guarantees that the content of this report does not contain any false records, misleading statements, or significant omissions, and assumes individual and joint responsibility for the truthfulness, accuracy, and completeness of its content.

02 Message from the Chairman

Dear shareholders, partners, and all friends concerned with Junma Tyre Cord Company Limited:

2023 is a year full of opportunities and challenges. As the largest production base for tire carcass materials in China, and one of the enterprises with the most complete product variety and highest specification in the industry, we have always adhered to the concept of sustainable development, aiming to achieve harmonious development between society, environment, and the company. We are continuously promoting the strategy of building a strong corporate culture. In this year, we have achieved a silver rating in the EcoVadis Corporate Social Responsibility Rating, indicating our initial success in sustainable development governance.



We firmly believe that a sound governance structure is the cornerstone of the sustainable development of a company and key to gaining trust from shareholders and society at large. Therefore, we continuously strengthen internal management and risk control, ensuring transparency and fairness in company operations, protecting shareholder rights, and maintaining anti-corruption and integrity practices. We integrate sustainable development into corporate management, establish a sustainable development management framework, and actively respond to the 169 specific targets included in the United Nations Sustainable Development Goals (UN SDGs). We are committed to steadily advancing on the path of sustainable development.

We deeply recognized that the company has a dual mission to promote industry advancement and protect the Earth. The company follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to manage climate risks and has committed to achieving carbon neutrality by 2040. We continue to improve energy and resource management, emissions management, and other energy and environmental management systems. In addition to obtaining ISO 14001:2015 Environmental Management System certification in 2021, we have also obtained ISO 50001 Energy Management System certification and Product Carbon Footprint certification in 2023. We continue to optimize production processes to reduce energy consumption and minimize wastewater and gas emissions. We actively promote the construction of photovoltaic power generation facilities, use green electricity to optimize energy structure, reduce the consumption of electricity, natural gas, and other resources, and create new green factories.

We keep committing to creating a harmonious and healthy working environment, focusing on the health and growth of employees. The company obtained ISO 45001 Occupational Health and Safety Management System certification in 2002. In 2023, it was also awarded the "Harmonious Enterprise of Labor Relations in Suzhou City". We strictly comply with legal requirements to ensure employees' compensation, benefits, health and safety, and other rights. We provide material and emotional support to employees facing difficulties. We offer abundant training resources and career development platforms to ensure that every employee can realize their self-worth in their work.

We are committed to collaborating with our partners to jointly build a sustainable supply chain. In 2023, we joined the Responsible Supply Chain Initiative (RSCI) by not only focusing on quality management of suppliers' raw materials but also continually enhancing suppliers' business ethics, environmental management, and human rights management governance. We strictly manage our purchasing agents to vigorously prevent corruption in procurement and enhance their awareness of sustainable development through training and education.

We adhere to innovation as our operation foundation, continuously increasing investment in research and development, and optimizing our R&D team. While striving to achieve high-level manufacturing, we are also committed to continuously improving the quality of customer service and creating low-carbon, environmentally friendly, safe, high-quality, and customer-satisfying products.

Furthermore, we extend warmth and care to society through various community service and public welfare activities. We actively participate in social welfare initiatives such as poverty alleviation, disaster relief, and educational sponsorships, providing support to vulnerable groups and fulfilling our corporate social responsibilities. We strive to promote sustainable and high-quality development for our enterprise.

In 2024, we will continue to enhance our product competitiveness, explore more industrial cooperation opportunities, and continually deepen and improve our ESG practices. Together with all stakeholders, we will contribute our strengths to sustainable development and work towards creating a brighter future for all!

Chairman



03

About Us

- Introduction
- Operational Layout
- Certificates and Honors

03 About Us

3.1 Introduction

Located in Zhangjiagang, an emerging port city at the intersection of the Yangtze River Delta coastal and riverside economic development zones, Junma Tyre Cord Company Limited is a large private enterprise mainly engaged in the production and operation of tire carcass materials. The company is the largest production base for tire carcass materials in China and one of the enterprises with the most complete product variety and highest specification in the industry.

The company's main products include nylon yarn, nylon 6 dipped cord fabric, polyester industrial yarn, polyester tyre cord fabric, and nylon 66 dipped cord fabric.

The company possesses sustainable innovation capabilities and an outstanding innovation team, and is recognized as a national-level high-tech enterprise. By continuously enhancing its innovation capabilities and highlighting its flexible customization ability, the company always meets the individual needs of customers.

After years of market development and maintenance, the company has achieved increasingly comprehensive domestic and international sales networks with its high-quality products, resulting in an annual export value exceeding 100 million USD.

Upholding the unique corporate culture of Junma Group, the company vigorously promotes a strategy of strengthening the enterprise through culture, engages in social welfare and charitable relief efforts, fulfills its corporate social responsibility, contributes to socio-economic development, and strives to achieve harmonious coexistence between the enterprise and its social environment as well as stakeholders.

3.2 Operational Layout

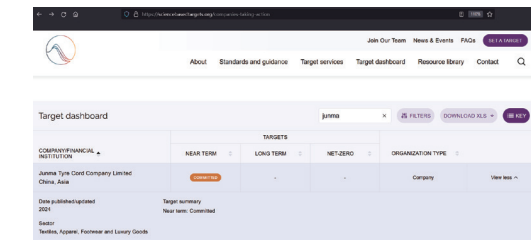
Located in Zhangjiagang, Jiangsu Province, China, the company has established innovative platforms such as the Industrial Chemical Fiber Engineering Technology Research Center of Jiangsu Province and Jiangsu Province Graduate Student Workstation, and has already been recognized as a national intellectual property demonstration unit.

With a global presence, the company's products are utilized by over 40 major tire manufacturers in China. Its main offerings include nylon 6 dipped cord fabric, polyester dipped cord fabric, nylon 6 industrial yarn, and nylon 66 dipped cord fabric, which are used as reinforcing materials in tire production. Notably, the cord fabric, which is the company's primary product has been honored with the title of "National Single Champion Product" by the Ministry of Industry and Information Technology of China. Currently, the company has successfully broadened international markets such as India, Thailand, Singapore, Germany, the United States, South Korea, and Japan.

3.3 Certificates and Honors

Over the years, the company has continuously optimized its management capabilities, improved innovation levels, strengthened environmental management, and ensured product quality compliance. It has also focused on creating a healthy and safe work environment for employees. Through multiple measures, the company is committed to enhancing sustainable development and has gained many significant outcomes.

We actively respond to the Paris Agreement on climate change, participate in the Carbon Disclosure Project (CDP), and have submitted a near-term greenhouse gas emissions reduction plan covering Scope 1, Scope 2, and Scope 3 emissions to the Science Based Targets initiative (SBTi), which is described in Climate Change Response chapter in detail. We have also joined the Responsible Supply Chain Initiative (RSCI) to contribute to the development of responsible supply chains.



Junma Tyre Cord Has Submitted
a Near Term Target to SBTi

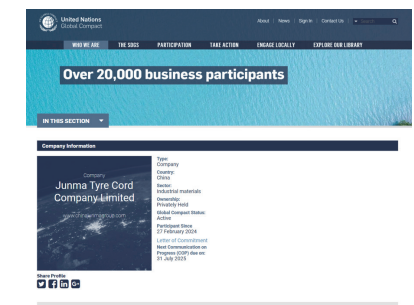


Junma Tyre Cord Has Joined RSCI

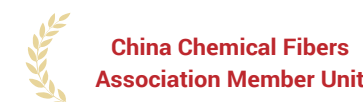
Currently, the company has obtained numerous honors and certificates. We have joined the United Nations Global Compact (UNGC), committing to uphold the principles of the UNGC in the areas of human rights, labor, environment, and anti-corruption. We have achieved various sustainability certificates such as ISO 14001, ISO 45001, ISO 14064, ISO 27001, etc., and regularly undergo third-party audits to ensure compliance.



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Junma Tyre Cord Has Joined the United Nations
Global Compact (UNGC)



China Rubber Industry
Association Member Unit



China Skeleton Materials
Association Vice Chairman Unit



National Intellectual Property Demonstration Unit



National Single Champion Enterprises



"Advanced Enterprise of Scientific and Technological
Progress" Honored by China Rubber Industry Association



National High-tech Enterprise

National Township Enterprise Brand
Creation Key Enterprise

Landmark Enterprise of Jiangsu Province

Jiangsu Province Water-Saving Enterprise

Jiangsu Province Excellent Management
Demonstration Enterprise

Jiangsu Province Measurement
Guarantee Confirmation Unit

Jiangsu Province Private Enterprise
Employment Advanced Unit

Star Enterprise of Jiangsu Province

Top 100 Private Enterprises in Jiangsu Province

Private Enterprise Taxpayer in Jiangsu Province

Suzhou City Civilization Pioneer Unit

Jiangsu Province AAA Grade Contract
and Trustworthy Enterprise

Jiangsu Province Hundred Model Enterprises
to Establish Modern Enterprise System

"Junma" Trademark

Cord Fabric Products

"JUNMA" Brand Nylon 6 Dip Rubber Cord Fabric

"JUNMA" Brand Polyester Cord Fabric

China Well-known Trademark

National Champion

Famous Brand Product of Jiangsu Province

Product Recommended by National Rubber Industry Association

Certificates

IATF 16949 Certificate

ISO 45001 Certificate

ISO 14001 Certificate

ISO 50001 Certificate

ISCC PLUS Certificate

OEKO-TEX Standard 100 Label

ISO 27001 Certificate

Product Carbon Footprint Certificate

Certificate

Annex to certificate

Certificate

Certificate

Product Life Cycle
Assessment Certificate
(Nylon 6 Dipped Cord Fabric)

Product Life Cycle
Assessment Certificate
(Nylon 66 Dipped Cord Fabric)

Product Life Cycle
Assessment Certificate
(Polyester Tyre Cord Fabric)

ISO14064 Certificate

04

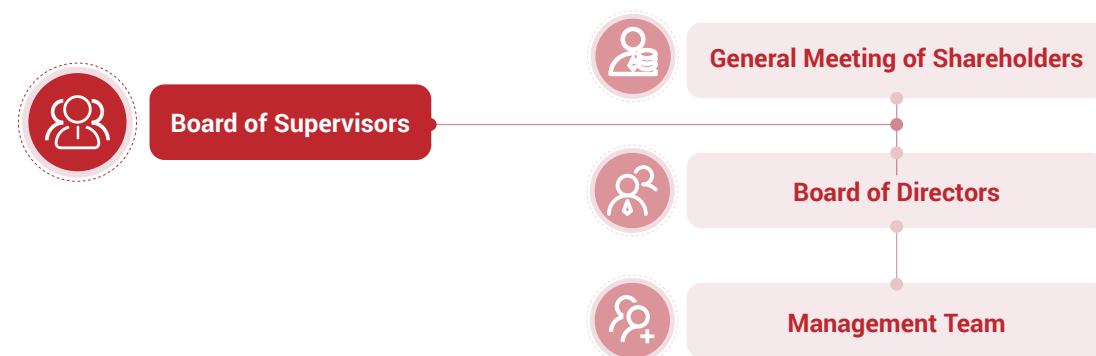
Achieve Steady Corporate Development and Standardize Corporate Governance

- Governance Structure
- Risk Management and Internal Control of the Company
- Business Ethic And Information Security
- Intellectual Property Protection
- ESG Governance

04 Achieve Steady Corporate Development and Standardize Corporate Governance

4.1 Governance Structure

The company strictly abides by the *Company Law of the People's Republic of China* and other relevant laws and regulations, and has established a corporate governance structure consisting of a general meeting of shareholders, a board of directors, a board of supervisors, and a management team. There is a clear division of power and responsibility, mutual coordination, and checks and balances among the company's authority, decision-making, supervision, and management levels. The board of directors, board of supervisors, general meeting of shareholders, and management team operate in compliance. The company continuously optimize and improve our internal control system to keep company operation in compliance and safeguard the legitimate rights and interests of the company and all shareholders.



- The board of directors consists of 5 members, all of whom are senior executives of the company.
- The board of supervisors comprises 3 members.

4.2 Risk Management and Internal Control of the Company

The company has legally established a scientific decision-making mechanism and formed a comprehensive set of policies. For decision-making matters such as major issue decision-making, appointment and removal of important positions, major project investment decisions, and use of large amounts of funds, the company conducts thorough deliberations and organizes demonstrations before making decisions. For important matters, the company engages professional institutions to conduct due diligence and provide decision-making consultation. During the decision-making process, the company fully listens to the opinions of relevant departments, strictly follows the decision-making procedures, and forms complete decision-making meeting records.

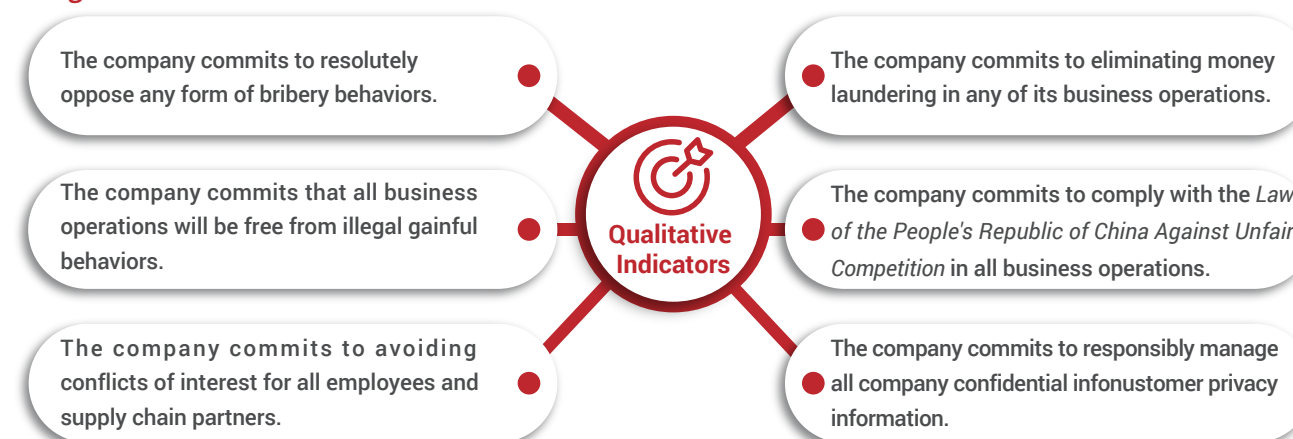
The company rigorously adheres to the legal and regulatory requirements outlined in the *Company Law of the People's Republic of China*, the *Audit Law of the People's Republic of China*, the *Basic Norms for Enterprise Internal Control*, and other relevant laws and regulations. Considering the company's operation status, characteristics and management requirement, we have established a legal advisory system, fostering a tripartite enterprise legal risk prevention and internal control framework that encompasses "prevention beforehand, control during the process, and remedy afterwards." This framework is led by the company's decision-making layer, supported by corporate legal advisors, and involves the participation of all employees. In addressing priority risk areas such as corruption, bribery, and compliant marketing, the company integrates the *Compliance*

Manual and other relevant policies, aiming to achieve "institutionalization of management, streamlining of processes, and informatization of workflows," which ensures the effective implementation of compliance management requirements. The company upholds the principle of compliant operation, integrating the various requirements of compliance management, aligns with the various requirements of superior compliance reviews, implements compliance control norms, and enhances its risk prevention and control capabilities. We place particular emphasis on the compliant construction of key areas such as production safety, environment protection, intellectual property, financial taxation, and foreign-related business. By conducting risk investigations and assessments in these critical areas, the company ensures its compliant operation and sustainable development.

4.3 Business Ethic and Information Security

Strictly abides by *Company Law of the People's Republic of China* and *Civil Code of the People's Republic of China*, the company has formulated a *Compliance Manual*, which includes a series of relevant provisions aimed at combating corruption, fraud, conflicts of interest, money laundering, and other unethical practices. Additionally, the company disseminates its business ethics management regulations through Employee Handbook to ensure all employees are aware of and adheres to the company's ethical standards.

Targets



| Quantitative Indicators | Targets towards 2030 | Performance in 2023 |
|--|----------------------|---------------------|
| Coverage of Employee Training Related to Anti-Corruption and Anti-Bribery, Anti-Money Laundering, Anti-Monopoly, Anti-Fraud, and Conflict of Interes | 100% | 100% |
| Rate of Integrity Agreements with Suppliers Signing | 100% | 100% |
| Rate of Conducting Information Security Risk Assessments at Operational Locations | 100% | 100% |

4.3.1 Anti-Corruption and Anti-Bribery

The company strictly abides by the *Company Law of the People's Republic of China*, *Civil Code of the People's Republic of China* and other related laws and regulations. The audit department exercises vertical management over employees. The Compliance Manual explicitly prohibits employees from engaging in corruption, embezzlement, and theft of assets. Furthermore, it establishes approval processes for receiving gifts, fostering an ethical workplace culture.

To jointly combat commercial bribery, all employees of the company have signed the *Anti-Bribery and Anti-Corruption Statement*. Relevant training on preventing corruption and bribery is conducted for employees in key positions such as procurement and finance through meetings and publicity. Internal audits are regularly conducted to strictly prevent fraud in procurement. For third-party partners such as suppliers and contractors, the company conducts anti-corruption due diligence investigations and signs the *Integrity Cooperation Agreement* with suppliers to ensure that the relevant anti-corruption and anti-bribery clauses in the *Compliance Manual* are communicated to all partners.

Additionally, the company actively conducts corruption risk assessments.



During the reporting period, there are no corruption-related lawsuits or legal cases arising from corruption and bribery.

4.3.2 Anti-Unfair Competition

The company strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China* and conscientiously maintains the fairness of the market order.



4.3.3 Avoidance of Conflicts of Interest

- 01 Avoid all situations of conflict of interest that may adversely affect business relationships.
- 02 No employee shall, directly or indirectly, through their spouse or other family members, hold financial interests in other business entities.
- 03 No employee shall hold equity in companies that compete with the company.
- 04 Employees must fully disclose any situation that may lead to a conflict of interest.

4.3.4 Anti-Money Laundering

Our *Compliance Manual* stipulates that employees are strictly prohibited from legitimizing funds obtained through criminal activities such as drug trafficking and smuggling.

4.3.5 Compliant Marketing

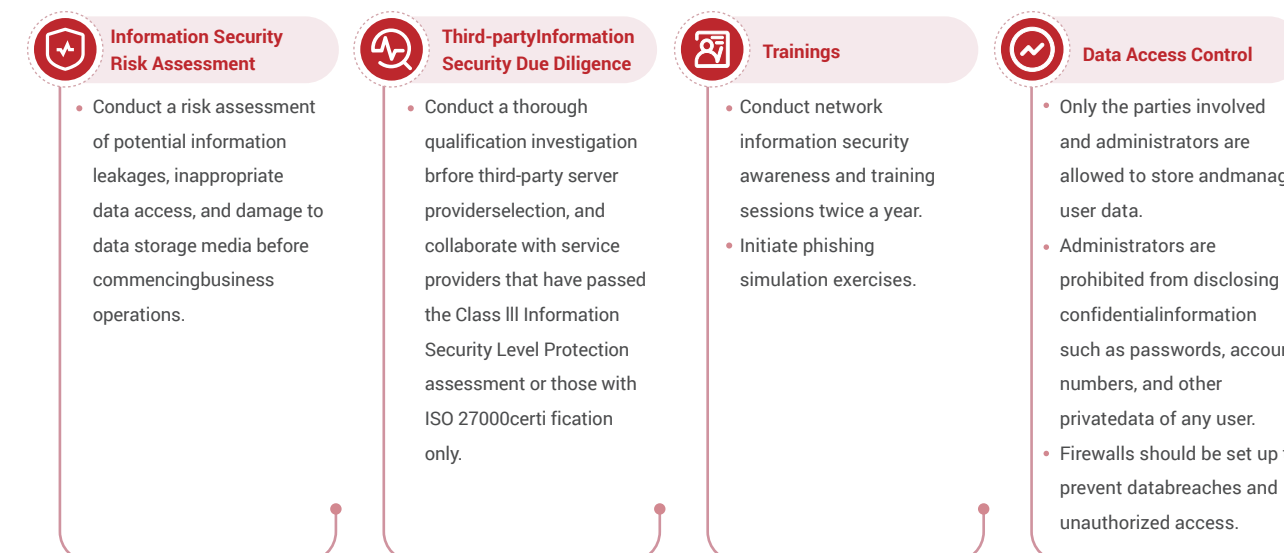
We strictly abide by the *Advertising Law of the People's Republic of China* and other relevant laws and regulations. Regarding product and service labeling, we are committed to conducting sales and marketing practices that comply with legal, social, and ethical standards. In 2023, there were no violations or incidents related to the health, safety, or labeling of the products and services we provided.

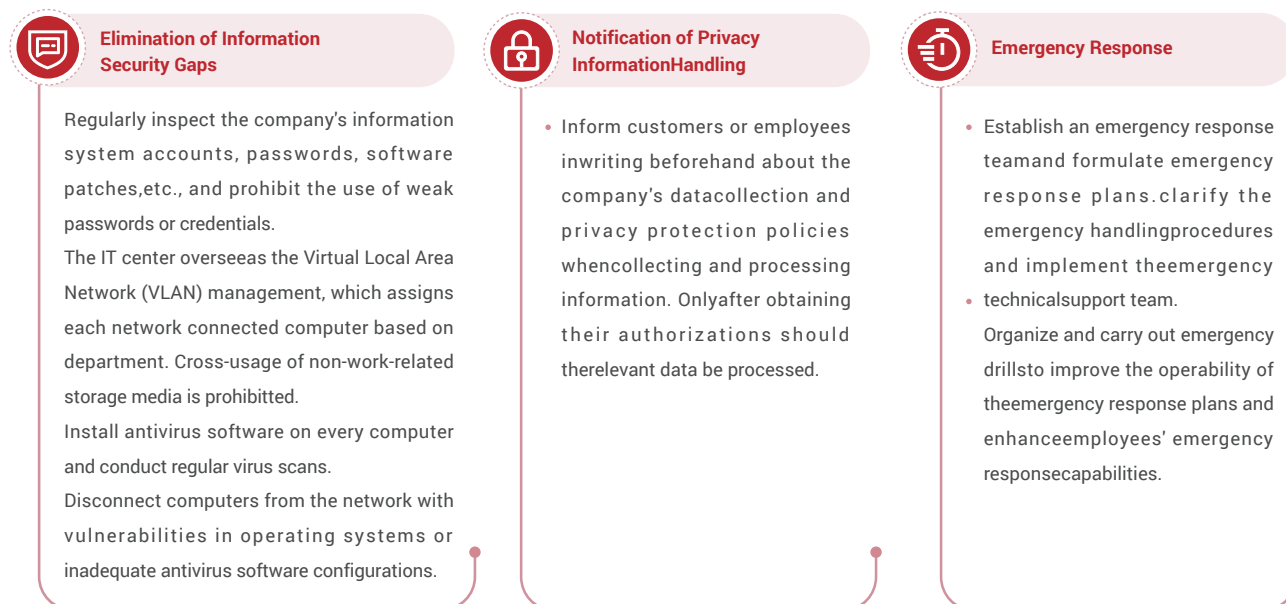
4.3.6 Information Security and Data Privacy Protection

The company places great importance on data security and privacy protection, strictly adhering to laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. To ensure compliance, we have formulated various systems including the *Information Security Management System* and the *Security Complaints and Reporting System*.

To further strengthen information security control, the company has embarked on establishing an information security management system. We have set up an Information Security Work Leading Group and implemented a range of policies, including security responsibility system, information security emergency response plans, duty systems, information release review procedures, confidentiality protocols, and accountability mechanisms. Currently, the company has obtained ISO 27001 certification for its Information Security Management System.

ISO 27001 Information Security Management System Certificate





| | Indicators | Unit | 2021 | 2022 | 2023 |
|--|--|-------|------|------|------|
| | Number of Information Security Incidents Identified | times | 0 | 0 | 0 |
| | Number of Substantiated Complaints of Invasion of Customer Privacy and Loss of Customer Data | times | 0 | 0 | 0 |
| | Total Number of Incidents of Breaches of the Law in Relation to Client Privacy | times | 0 | 0 | 0 |

4.3.7 Reporting and Complaints

For issues such as corruption, bribery, money laundering, unfair competition, marketing compliance, and information security, the company has established reporting channels accessible to all stakeholders, including employees, suppliers, the customers, etc. Upon receiving relevant complaints, the company will conduct investigations and once confirmed, disciplinary measures will be imposed on the responsible parties. For serious cases, the matter will be referred to judicial authorities for further action.

We have established a comprehensive whistleblower protection mechanism with protection from retaliation. To ensure their safety, the disclosure of whistleblowers' names, departments, company names, and other information interests is strictly prohibited.

During the reporting period, the company did not receive any reports or lawsuits related to corruption, information security, data breaches, money laundering, unfair competition, or other business ethic related matters.

| | | |
|--|-------------------------------|-----------------------|
| | Hotline for Reporting: | 0512-52891688 |
| | Email Address: | office@junmachina.com |

4.4 Intellectual Property Protection

The company attaches great importance to intellectual property protection and strictly abides by laws and regulations such as the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. While not infringing upon others' intellectual property rights, the company firmly safeguards its own intellectual property rights, emphasizing the protection of technological innovation achievements and intangible assets such as trademarks, patents, copyrights, and other brands.

The company establishes clear procedures for declaration and use through a standardized intellectual property management system, ensuring that intellectual property management, protection, and utilization can be carried out orderly and legally.

As a national intellectual property demonstration unit, the company has conducted domestic and international patent early warning analyses for flagship products in 2023, including nylon 6 dipped cord fabric, nylon 66 dipped cord fabric, and polyester dipped cord fabric. These efforts lead to a better understanding of the development trends, key development areas, and patent regional layouts within and outside the industry for these products. By analyzing the patent strategic intentions of market leaders, we strive to gain a comprehensive understanding of industry leaders, enabling us to effectively formulate our own competitive strategies in intellectual property and help us mitigate potential risks and safeguard the healthy development of our enterprise.

Furthermore, we refined and revised the *Patent Reward Policy*, significantly increasing the rewards for inventors in 2023. Specifically, the reward for invention patents has been doubled from 1,500 yuan per patent to 3,000 yuan per patent, and the reward for utility model patents has increased from 500 yuan per patent to 800 yuan per patent. During the reporting period, the company applied for 38 patents and received authorization for 33 of them. In recognition of their contributions, the company awarded a total of 25,000 yuan in bonuses to 18 patent writers.

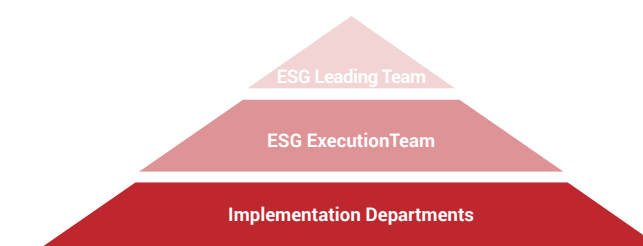
To better expand overseas business, the company registered 4 new trademarks in the United States and the European Union in 2023, laying a solid foundation for our global strategy.

4.5 ESG Governance

4.5.1 ESG Governance Structure

The Company has established a Sustainable Working Group and the working mechanism under which the leader and deputy leader of the Sustainable Development Working Group co-ordinate and promote the work, and the members of the group work together to implement the work. On this basis, the Company actively identifies and manages the impacts of its business and operational activities, continuously improves the ESG management structure, and ensures the continuous and effective implementation of ESG work by integrating ESG concepts into its development strategies and daily operations, to create value for all stakeholders.

ESG Governance Structure of Junma Tyre Cord



ESG Leadership Team (Leader): The top decision-making body for ESG management, responsible for formulating ESG policies and strategies, and establishing ethical and behavioral guidelines for the company.

ESG Execution Team (Deputy Leader): Responsible for developing and implementing plans for sustainable development, as well as promoting ESG principles both within and outside the company.

Implementation Departments (Team Members): Integrate ESG principles into their respective job functions, engage in communication and activities with stakeholders, and collect essential information.

4.5.2 Sustainable Management

Response to the United Nations Sustainable Development Goals (UN SDGs)

Based on the company's operational activities, we formulate corresponding actions that align with the 169 specific targets encompassed within the 17 United Nations Sustainable Development Goals (UN SDGs). We have responded to 14 of these sustainable development goals, contributing to their achievement and advancing the overall sustainability agenda.



Environmental

- 6 CLEAN WATER AND SANITATION**
 - Achieve zero discharge of industrial wastewater and discharge domestic sewage into municipal pipe networks after treatment in septic tanks.
 - Replace outdated equipment and carry out equipment modifications to reduce water waste.
 - Encourage employees to save water in daily operations.
- 7 AFFORDABLE AND CLEAN ENERGY**
 - Promote the utilization of clean energy, conduct a carbon reduction plan, and reduce greenhouse gas emissions.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
 - Strictly implement waste classification.
 - Entrust qualified vendors to handle waste disposal.
 - Increase the recycling rate of raw materials.
 - Strictly manage and control chemical safety.
- 13 CLIMATE ACTION**
 - Identify risks and opportunities arising from climate change by referencing the Task Force on Climate-related Financial Disclosures (TCFD) framework.
 - Develop emergency response plans for climate change scenarios.
 - Provide more trainings for employees to raise awareness.
- 15 LIFE ON LAND**
 - Commit not to conduct any business activities in protected animal habitats.



Social

- 1 NO POVERTY**
 - Continuously pay attention to social requirements, deeply engage in public welfare undertakings, and establish a public welfare system with unique corporate characteristics.
- 2 ZERO HUNGER**
 - Actively organize and participate in charitable and public welfare activities.
- 3 GOOD HEALTH AND WELL-BEING**
 - Provide employees with safe workplaces, ensure employees are wearing protective equipment comply to safety production requirements, and regularly conduct occupational health checkups and safety production trainings for employees.
- 4 QUALITY EDUCATION**
 - Establish a comprehensive training system to provide various training courses for employees, enabling them to grow alongside the company.
- 5 GENDER EQUALITY**
 - Grant equal treatment to male and female employees in terms of salary distribution, job promotion, and other aspects.
- 8 DECENT WORK AND ECONOMIC GROWTH**
 - Improve the employee welfare system to safeguard employees' legitimate rights and interests and prohibit human rights violations such as child labor employment and labor forcing.
 - Establish fair and competitive salary and welfare to provide employees with decent work.
 - Provide employees with a healthy and safe working environment, paying attention to their physical and mental health as well as career development.
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
 - Strictly manage the quality of incoming materials from suppliers.
 - Source materials locally to ensure the stability of raw material supply.
 - Collaborate with suppliers to promote sustainable production and consumption patterns to realize a circular economy.
 - Actively engage in product innovation and research and development to strengthen the company's core competitiveness and drive industry development.
 - Establish school-enterprise cooperation to cultivate innovative talents for the industry.
 - Participate in the formulation of industry standards.



- Comply with labor laws and regulations, emphasizing labor human rights and gender equality;
- Implement a diverse and inclusive policy to eliminate all forms of inequality, embrace diverse groups, and foster a tolerant and respectful work environment that accommodates and respects the customs, practices, and religious beliefs of different groups.



- Through technological upgrades and customer demand management, provide consumers with higher-quality products and services.



Governance



- Achieve a higher level of economic productivity.



- Comply with laws and regulations, strengthen institutional construction, and establish a governance structure with clear rights and responsibilities.
- Build a compliant, transparent, and responsible organization, promote the establishment of the company's business ethics and anti-corruption systems, and reduce the occurrence of violations of business ethics.
- Enhance employees' information security awareness, strengthen data and network security protection, and prevent the leakage of customer information.

4.5.3 Stakeholders Communications

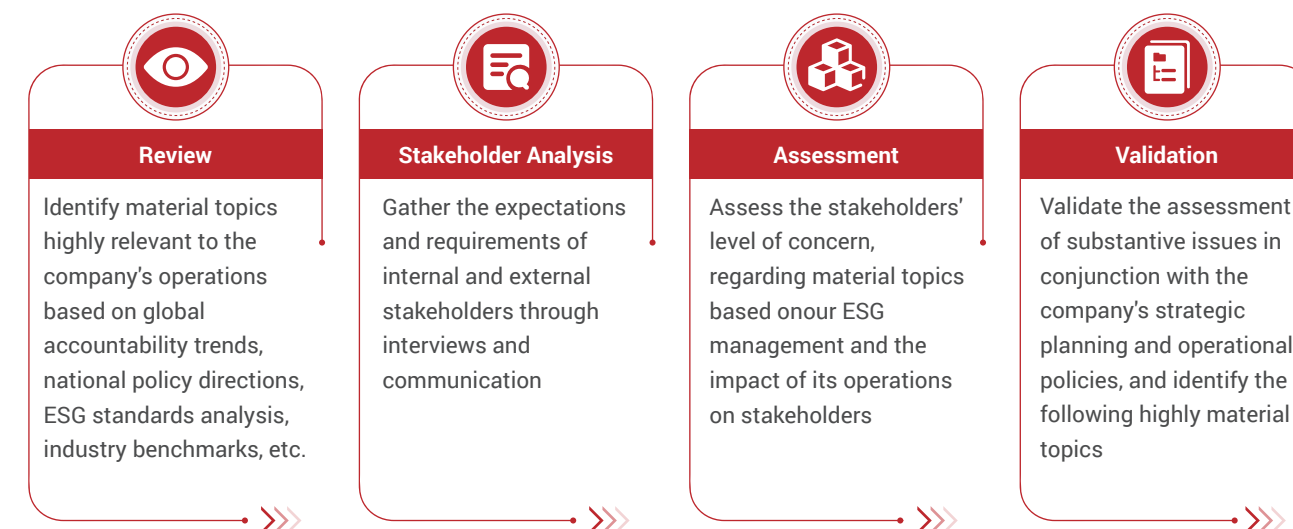
| Stakeholders | Communicating Channels | Concerned Issues | Our Commitments |
|-------------------------------------|--|---|--|
| Government & Regulators | <ul style="list-style-type: none"> Regulatory communication Government Announcements Supervisory assessment | <ul style="list-style-type: none"> Corporate Governance Risk Control and Compliance Management Anti-Corruption and Bribery Product and Service Quality Management | <ul style="list-style-type: none"> Comply with legal and regulatory requirements Legally pay taxes Plan and execute information disclosure Improve and refine the quality management system |
| Shareholders & Investors | <ul style="list-style-type: none"> Quarterly, half-yearly, annual and other performance reports Shareholders' Meeting Website and Email | <ul style="list-style-type: none"> Corporate Governance Intellectual Property Protection | <ul style="list-style-type: none"> Report the company's latest developments to shareholders and investors Obtain support from shareholders and investors for management decisions Generate investment returns for shareholders |
| Consumers & Customers | <ul style="list-style-type: none"> Product sales and promotion Lean management and lean production Consumer Research After-sales service Customer Satisfaction Survey | <ul style="list-style-type: none"> Product and Service Quality Management Innovative R&D Intellectual Property Protection Supply Chain Management Information Security | <ul style="list-style-type: none"> Establish a customer complaint and response system Optimize the full cycle of research, supply, production, and sales services Embed technology in sales processes Implement a trinity sales approach Sign confidentiality agreements with clients |

| Stakeholders | Communicating Channels | Concerned Issues | Our Commitments |
|-------------------------------------|--|--|---|
| Employees | <ul style="list-style-type: none"> Employee visits Employee satisfaction survey Communication meetings such as collective bargaining meetings Employee Feedback Platform Annual company meetings Training and performance interviews | <ul style="list-style-type: none"> Occupational Health and Safety Employee Rights & Welfares Training & Development | <ul style="list-style-type: none"> Ensure occupational health and safety for employees Provide competitive compensation and welfare system Build comprehensive career development pathways Improve compliance in hiring practices to prevent workplace discrimination Conduct diversified employee training courses |
| Suppliers | <ul style="list-style-type: none"> Supplier conference Contract signing and execution Supplier training Supplier assessment and on-site audit | <ul style="list-style-type: none"> Product and Service Quality Management Supply Chain Management Risk Control and Compliance Management | <ul style="list-style-type: none"> Ensure that suppliers are providing products and services meeting required standards and operate in compliance with applicable laws and regulations Foster a cooperative atmosphere based on mutual trust |
| Community & Public | <ul style="list-style-type: none"> Visit and research community needs Participate in community development needs communication meetings | <ul style="list-style-type: none"> Community Development and Philanthropy | <ul style="list-style-type: none"> Organize charity activities Support the development of local industrial chains Foster regional economic growth |
| Associations | <ul style="list-style-type: none"> Forums and seminars Participate in the development of industry standards Project co-operation Visits and exchanges | <ul style="list-style-type: none"> Innovative R&D Product and Service Quality Management | <ul style="list-style-type: none"> Engage in research and development of innovative products Initiate collaboration projects to enhance product quality |
| NGO&Public Benefit Organisation | <ul style="list-style-type: none"> Contribute corporate experience Participate in conferences, forums and other interactive activities Enhance international exchange and co-operation | <ul style="list-style-type: none"> Community Development and Philanthropy Climate Change Adaption and Mitigation Innovative R&D Supply Chain Management | <ul style="list-style-type: none"> Participate in research and discussions on public policies and industry standards Communicate on issues of concern to external stakeholders Attend strategic cooperation forums to discuss methods to build efficient, safe, and competitive supply chains |
| 环境 | <ul style="list-style-type: none"> Annual Report ESG report | <ul style="list-style-type: none"> Environment Management Energy Management Water Management Waste Management Raw Material & Package Management Climate Change Adaption and Mitigation | <ul style="list-style-type: none"> Promote the transition to a more sustainable energy consumption Implement energy-saving technological upgrades to reduce carbon emissions Conduct climate risk analysis using theTCFD (Task Force on Climate-related Financial Disclosures) framework Implement waste classification, storage, and management for recycling purposes Ensure compliant discharge of wastewater and emissions |

4.5.4 Materiality Issues

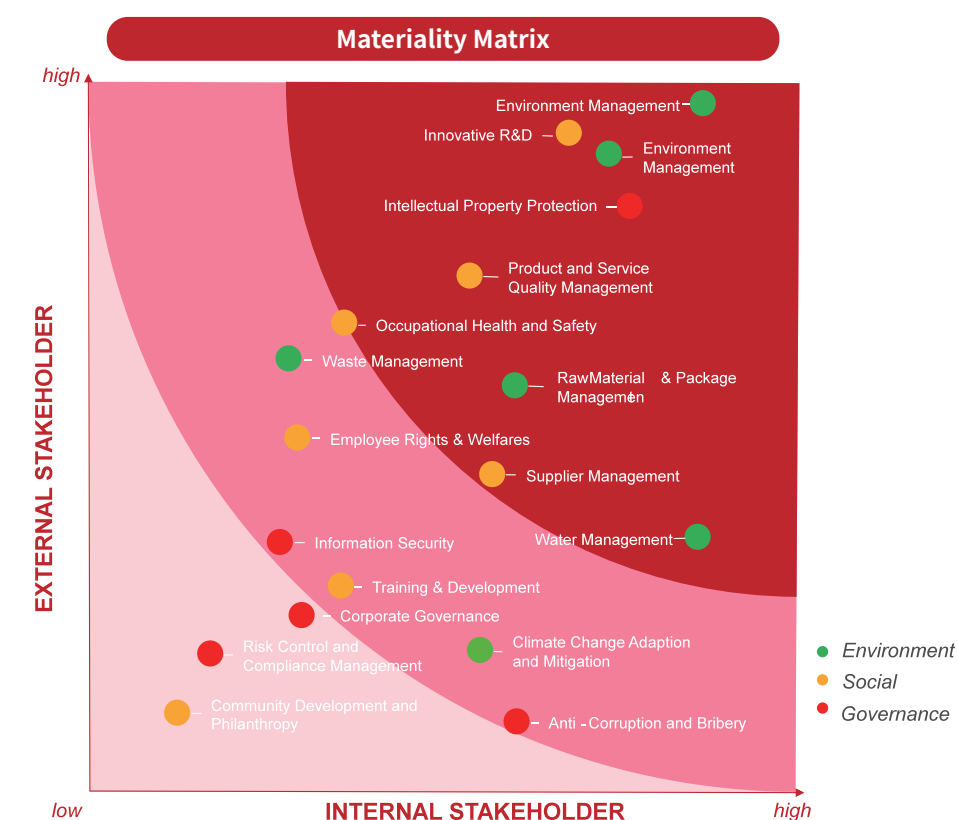
Assessment Procedure

To promptly and comprehensively understand the significance of various ESG issues to the company's development, as well as the level of attention received from stakeholders, the company actively engages in the identification, evaluation, and analysis of material issues. This is aimed at further enhancing the company's ESG information disclosure and overall management capabilities. The specific steps are as follows:



Materiality Matrix

Through research and evaluation, we have comprehensively considered the importance of various material issues to both external stakeholders and to Junma Tyre Cord. Based on this analysis, we have constructed a materiality matrix to illustrate the significance of each issue.



05

Guarding the Earth and Low Carbon Development

- Environmental Management
- Emission and Waste Management
- Resource Management
- Greenhouse Gas Emission Management
- Biodiversity
- Climate Change Mitigation

05 Guarding the Earth and Low Carbon Development

5.1 Environmental Management

Junma Tyre Cord strictly abides by the relevant laws and regulations of the People's Republic of China, such as the *Environmental Protection Law of The People's Republic of China*, *Law of the People's Republic of China on Promoting Clean Production*, and *Environmental Impact Assessment Law of the People's Republic of China*, and promoted the development of internal management systems and procedures such as the *Environmental Health and Safety Policy*.

The company actively promotes the systematization and standardization of environmental management work, employs dedicated environmental management personnel to continuously improve risk identification and investigation management, incident reporting mechanisms, and other routine work systems, forming an increasingly complete environment management system. Currently, the company has obtained the certificate of ISO 14001:2015 environment management system certification and is within its validity period.

The company has committed to respecting the land rights of the local population where our business operates. As of the end of the reporting period, the company has been recognized as an environmental protection demonstration enterprise of Suzhou. This signifies the company's strict adherence to national ecological environmental laws and regulations and relevant regulatory requirements, demonstrating its significant contribution to environmental protection.

During the reporting period, the company timely and fully paid environmental protection taxes in accordance with *Environmental Protection Tax Law of the People's Republic of China*. Incidents of sudden environmental risks, environmental violations or non-compliance, and administrative penalties have never happened or been received from relevant regulatory authorities in 2023.

5.1.1 Environmental Emergency Management

In order to prevent or minimize the occurrence of environmental emergencies, ensure the personal safety of employees and surrounding communities, reduce environmental pollution and property losses, eliminate or mitigate the impacts of environmental incidents, and enhance the capacity for prevention, early warning, and emergency response to sudden environmental events, the company, in accordance with the requirements of national laws and regulations such as the *National Environmental Emergency Plan* and the *Measures for the Administration of Contingency Plans for Emergencies*, has developed and implemented the *Emergency Response Plan for Environmental Emergencies (2nd Edition)* based on the operation of the company. Regular emergency drills are conducted to ensure that emergency rescue operations can be quickly, effectively, and orderly carried out in the event of sudden environmental incidents, achieving timely control and disposal of the events, minimizing hazards and adverse impacts, maintaining social stability, safeguarding public health and safety, protecting the environment, and promoting comprehensive, coordinated, and sustainable social development.



5.2 Emission and Waste Management

The company strictly complies with the relevant laws and regulations, such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, as well as related standards, to carry out environmental management. We tightly control the generation and emission of exhaust gas, wastewater, solid waste, and noise during our production and operation processes. Furthermore, we develop self-monitoring plans in accordance with the requirements of emission permits and relevant laws, regulations, and standards. We conduct self-monitoring activities as required and promptly upload the monitoring data to public platforms to be supervised by the society. During the reporting period, the company ensured that the concentrations and total amounts of various pollutants were within the national emission limits, achieving both concentration and total amount compliance.

| | | Our Targets | |
|-----------------|--|-----------------|---------------------|
| | Targets towards 2030 | | Performance in 2023 |
| 100% | Completion Rate of Legally Disposing Hazardous Waste | 100% | Completed |
| 0 | Number of Incidents of Hazardous Waste Leakage | 0 | Completed |
| 0 | Number of Other Pollution Incidents | 0 | Completed |
| 0 | Number of Fire Incidents | 0 | Completed |
| 0 | Number of Serious Environmental Safety Incidents | 0 | Completed |
| "Zero Emission" | Production Wastewater | "Zero Emission" | Completed |
| 100% | Compliance Rate of Domestic Sewage Discharge | 100% | Completed |
| 100% | Compliance Rate of PH In Rainwater Discharge | 100% | Completed |
| 100% | Compliance Rate of COD in Rainwater Discharge | 100% | Completed |
| 100% | Compliance Rate of Exhaust Gas from Immersion Rubber Process | 100% | Completed |
| 100% | Compliance Rate of Exhaust Gas from Polymer Spinning Process | 100% | Completed |

Requirement and Treatment Method of Emission and Waste Management



Wastewater

- **Emission types:** Production wastewater (including immersion rubber and compounding wastewater, polymerization workshop floor cleaning wastewater, laboratory drainage, spinning equipment cleaning wastewater, etc.) and domestic sewage.
- **Treatment method:** Production wastewater is collected and treated in the on-site wastewater treatment plant for reuse, with no discharge to the outside. Domestic sewage is indirectly discharged.
- **Testing parameters:** Chemical Oxygen Demand (COD), Suspended Solids (SS), Five-day Biological Oxygen Demand (BOD5), Ammonia Nitrogen (NH3-N), pH value, Total Phosphorus (TP), Total Nitrogen (TN), Sulfides.
- **Pollution control measures:** Production wastewater is treated through "evaporation + condensation" for recycling, and through processes such as "aeration tank + coagulation + dehydration + single-effect evaporation" for reuse. Domestic sewage undergoes pretreatment in the plant before being discharged into the municipal sewage network. It is then treated in the sewage treatment plant to meet the required discharge standards.



Exhaust Gas

- **Emission types:** Dust, organic waste gas, natural gas combustion flue gas, and exhaust gas from wastewater treatment .
- **Treatment method:** Uniform collection, followed by treatment in on-site exhaust gas treatment facilities to meet the required emission standards.
- **Testing parameters:** Non-methane total hydrocarbons, particulate matter, formaldehyde, ammonia, sulfur dioxide, nitrogen oxides.
- **Pollution control measures:** Emissions are collected using gas hoods and closed induced draft fans, and then treated through facilities such as water spray systems and regenerative thermal oxidizers (RTO) to meet the required emission standards.



Solid Waste

Hazardous Waste

- **Emission types:** Sludge, experimental waste liquid, waste reagent bottles, waste oil agents, waste packaging bags, etc.
- **Treatment method:** Entrusting qualified disposal units for harmless treatment.
- **Pollution control measures:** Establishing hazardous waste storage areas.

General Solid Waste

- **Emission types:** Waste pulp blocks, waste tubes and pipes, waste plastic and paper, by-products, and household waste.
- **Treatment method:** Household waste is entrusted to sanitation services for collection and disposal. Other general solid waste is sold for comprehensive utilization.
- **Pollution control measures:** Collection and storage of waste in a categorized and secure manner.



Plant Noise

- **Pollution control measures:** Prioritizing the procurement of environmentally friendly equipment with low noise levels and conducting regular maintenance of the equipment.

5.2.1 Requirement and Treatment Method of Emission and Waste Management

In terms of exhaust gas treatment, we strictly adhere to the *Air Pollution Prevention and Control Law of the People's Republic of China* and comply with the requirements of emission permits. We control the generation and emission of exhaust gas in accordance with the *Emission Standard of Pollutants for Synthetic Resin Industry (GB 31572-2015)*, *Integrated Emission Standards of Air Pollutants (DB32/4041-2021)*, and *Emission Standards for Odor Pollutants (GB 14554-93)*.

The company is committed to continuously mitigating the environmental impact of our production and operations on the surrounding areas. We continuously upgrade and improve our exhaust gas treatment facilities and processes to enhance the efficiency and effectiveness of exhaust gas treatment.

Upgrade of Exhaust Gas Treatment Facilities

In 2023, we have replaced the previous immersion rubber deoiling exhaust gas treatment facility with a regenerative thermal oxidizer (RTO), which increased the exhaust gas treatment efficiency to 71.2%.



Before Upgraded

After Upgraded

In the future, we will actively explore more measures to reduce and treat exhaust gas emissions. In addition to exhaust gas emission control, we will also focus on reducing the generation of exhaust gas from the source.

| | Indicators | Unit | Performance in 2021 | Performance in 2022 | Performance in 2023 |
|--|---|------|---------------------|---------------------|---------------------|
| | Total Exhaust Gas Emissions | tons | 5.44 | 5.97 | 5.72 |
| | Volatile Organic Compound (VOC) Emissions | tons | 4.24 | 4.35 | 4.05 |
| | Particulate Matter Emissions | tons | 1.09 | 1.07 | 1.15 |
| | Ammonia Emissions | tons | 0.05 | 0.48 | 0.43 |
| | Formaldehyde Emissions | tons | 0.05 | 0.07 | 0.07 |
| | Exhaust Gas Emissions per Unit Production | kg/t | 0.08 | 0.09 | 0.08 |

5.2.2 Wastewater Treatment





In wastewater treatment, we adhere to the standards of *Integrated Wastewater Discharge Standard (GB 8978-1996)*, *Discharge Standard of Pollutants for Municipal Waste-Water Treatment Plant (GB 18918-2002)*, and *Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)* to control wastewater discharge.

Wastewater Recycling

At Junma Tyre Cord, we achieved "zero discharge" of production wastewater. All wastewater generated during the production process is treated on-site and reused for workshop water spray, floor cleaning, equipment cleaning, and spinning component cleaning.

We adopt the process of "coagulation + dehydration + distillation," which is simple to operate, easy to manage, and has a large wastewater treatment capacity while occupying a small area. The solid sludge and distillation residues produced after treatment are entrusted to qualified units for disposal. This treatment process can achieve a removal efficiency of 98.1% for ammonia nitrogen, 78.2% for chemical oxygen demand (COD), 73.55% for suspended solids, 87.5% for total nitrogen, 99.8% for five-day biochemical oxygen demand (BOD5), 20% for total phosphorus, 83.1% for petroleum compounds, and 98.9% for formaldehyde, meeting the water quality standards for recycled water in the plant area.





In this way, it' s expected to reduce our annual discharge of chemical oxygen demand by approximately 100 tons and save about 1,800 tons of fresh water per year.

| | Indicators | Unit | Performance in 2021 | Performance in 2022 | Performance in 2023 |
|---|--|------|---------------------|---------------------|---------------------|
|  | Total Amount of Wastewater Emission | m³ | 191,452.00 | 188,904.00 | 208,941.00 |
|  | Volume of Domestic Wastewater Discharge | m³ | 191,452.00 | 188,904.00 | 208,941.00 |
|  | Volume of Production Wastewater Discharge | m³ | 0.00 | 0.00 | 0.00 |
|  | Wastewater Discharge per Unit of Production Output | m³/t | 2.80 | 2.82 | 2.93 |

5.2.3 Solid Waste Management

For general solid waste, we take measures such as equipment modification and process optimization to reduce the use of raw materials and packaging materials, thereby reducing the generation of general waste from the source. We also implement waste segregation to identify valuable general waste for recycling or comprehensive utilization through resale.

Regarding hazardous waste, we follow the principle of "unified collection, classified storage, centralized treatment, and hazard elimination." We entrust qualified units to transport and dispose of hazardous waste to achieve reduction, resource utilization, and harmlessness of hazardous waste. We construct dedicated hazardous waste storage facilities in accordance with the standards of *General Industrial Solid Waste Storage and Landfill Pollution Control (GB 18599-2020)* and *Hazardous Waste Storage Pollution Control (GB 18597-2023)*. These storage facilities are used to store hazardous waste generated during the production process. The warehouses are equipped with corrosion protection and anti-leakage measures to ensure the safety of the surrounding environment. Additionally, we establish a hazardous waste management ledger to record and manage information related to each disposal stage.

| | Indicators | Unit | Performance in 2021 | Performance in 2022 | Performance in 2023 |
|---|--|------|---------------------|---------------------|---------------------|
|  | Generation of hazardous waste | t | 95.00 | 88.00 | 99.00 |
|  | Hazardous waste generation per unit of production output | kg/t | 1.39 | 1.32 | 2.42 |
|  | Generation of general waste | t | 3,674.00 | 2,964.00 | 2,753.26 |
|  | General waste generation per unit of production output | kg/t | 53.71 | 44.32 | 67.26 |

5.3 Resource Management

| Our Targets | | | |
|--|-----------------------------|--------------------------------|------------------------------|
| Indicators | Targets towards 2030 | Performance in 2023 | |
| Power Consumption per Unit of Production | 40% reduction based on 2022 | 14.48% reduction based on 2022 | completion ahead of schedule |
| Water Consumption per Unit of Production | 30% reduction based on 2022 | 23.77% reduction based on 2022 | completion ahead of schedule |



5.3.1 Materials Management

Junma Tyre Cord is committed to reducing material waste and improving efficiency in the production process. Therefore, we actively explore potential avenues for resource recovery and utilization.

Materials Recycling and Utilization

We actively explore the recycling and utilization of raw materials in our operations. Currently, we have achieved the recycling and utilization of honeycomb spacers (used in the spinning workshop), iron axes (used for fabric rolling in the twisting and weaving workshop), and paper tubes (used for yarn winding in the spinning workshop). In the future, we plan to expand resource conservation efforts to include more raw materials based on our existing experience in recycling and utilization.



| | Indicator | Unit | Performance in 2021 | Performance in 2022 | Performance in 2023 |
|---|-------------------------------|------|---------------------|---------------------|---------------------|
|  | Consumption of Paper Tubes | kg | 886,399.00 | 949,813.00 | 1,064,701.86 |
|  | Recycling Rate of Paper Tubes | % | 39.92 | 30.38 | 41.54 |









5.3.2Energy Management

Junma Tyre Cord actively establishes an energy management system and formulates regulations and documents such as the "Energy Production Management System."

The company continuously promotes the intelligent and digital transformation of energy management. Through the deployment of intelligent energy management systems, we drive the low-carbon transformation of energy management. Every year, we set energy use targets. The main types of energy used in our production and operations include electricity, thermal steam, natural gas, liquefied natural gas, and diesel. As of the end of the reporting period, the company has obtained ISO 50001 energy management system certification.



Junma Tyre Cord Obtained ISO 50001 Energy Management Certificate

| | Indicator | Unit | Performance in 2021 | Performance in 2022 | Performance in 2023 |
|--|--|-----------------|---------------------|---------------------|---------------------|
|  | Solar photovoltaic power generation | M | 196,343.00 | 198,524.00 | 210,467.03 |
|  | Power Consumption Density per Unit of Production | M | 193,482.00 | 195,537.00 | 208,875.51 |
|  | Purchased Steam Consumption | M | 2,861.00 | 2,987.00 | 1,591.52 |
|  | Power Consumption Density per Unit of Production | MWh/t | 2.87 | 2.97 | 3.40 |
|  | Purchased Steam Consumption | tons | 80,232.00 | 82,513.00 | 91,701.81 |
|  | Liquefied Natural Gas Consumption | liters | 29,760.00 | 30,080.00 | 7,595.00 |
|  | Natural Gas Consumption | ten thousand m3 | 447.95 | 383.40 | 395.32 |
|  | Diesel Consumption1 | kilograms | 60,340.00 | 46,780.00 | 18,564.00 |

1.The statistical boundaries for energy consumption in 2021 and 2022 differ from those in 2023, encompassing both Zhangjiagang Junma Polyester Products Co., Ltd. and Junma Tyre Cord Co., Ltd. However, the 2023 data only covers Junma Tyre Cord, leading to a decline in the figures for solar photovoltaic power generation, liquefied natural gas, and diesel consumption.

In 2023, following the company's expansion of the 20,000-ton nylon 66 tire cord fabric project, there was an increase in production capacity, which subsequently resulted in an upsurge in electricity and steam consumption.

In 2023, to better meet market demand, the company expanded its production capacity by constructing a 20,000-ton project for nylon 66 cord fabric. The project introduced and purchased 30 sets of the most advanced spinning, drawing, and winding equipment in China (30 positions) and a state-of-the-art solid-phase polymerization device, along with supporting utility infrastructure such as water, electricity, and gas facilities. The project adopts industry-leading process technology and equipment, reaching the advanced technological level in China, while also being energy-efficient and environmentally friendly throughout the entire production process. Previously, the production of ordinary nylon spinning required 48 positions using a 2-head spinning process, which had low speed and high energy consumption. With the new process, using 4 or 6-head spinning, the production can be completed with only 30 positions, achieving high production efficiency with low energy consumption. The entire production is equipped with automated intelligent facilities, greatly improving production efficiency. This has effectively reduced production costs and enhanced the competitiveness of the company.



Screw Spinning Equipment



6-Head Spinning Technology

Waste Heat Recovery

In the PET solid-phase polymerization process, the crystallization of the chips in the crystallization system not only affects the production yield but also determines the smooth operation of the production line. To improve the crystallinity of the chips, we use a heat exchange system in the PET solid-phase polymerization crystallization process, where circulating hot air and the moisture from the wet chips are exchanged, effectively removing moisture and increasing the crystallinity of the chips.

However, the moisture content of the chips consists of free water and equilibrium water. Lowering the moisture content directly affects the subsequent increase in viscosity during the solid-phase polymerization process. During the crystallization heat exchange process, the free moisture on the surface of the chips evaporates due to heating, and there is continuous moisture accumulation in the circulating hot air. When the moisture reaches a certain critical point, a portion of the saturated moist hot air must be purged and fresh air with lower moisture content is drawn in.

In this process, the expelled moist hot air leads to significant heat loss in the system, while the inhaled fresh air needs to be heated up to the process temperature, resulting in increased electricity consumption and reduced energy efficiency. To address this issue, we have implemented a heat recovery device that improves the heat utilization efficiency of the crystallization system in the spinning solid-phase polymerization process. By installing a heat exchanger in the incoming/ventilation pipes of the PET solid-phase polymerization crystallization circulation system, the high-moisture hot air discharged from the exchange tubing is exchanged with the low-moisture cold air in the shell, thus reducing the power required for the heater and saving energy consumption.

Through waste heat recovery, the output of the electric heater in the crystallizer is reduced by 15-20%, resulting in power savings of over 20 kilowatts.

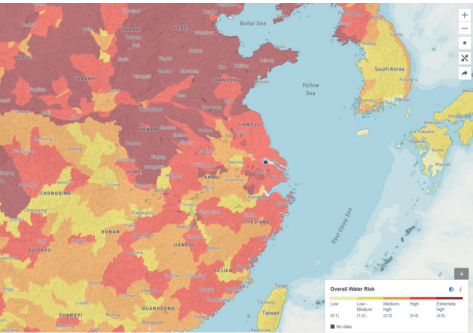
5.3.3 Water Resource Management

The water sources used in Junma Tyre Cord's production processes mainly include municipal water supply, purchased steam, and recycled water from Zhangjiagang Junma Steel Cord Co., Ltd.

The company fully recognizes the importance of water resources for sustainable development. We strictly comply with relevant laws and regulations, such as the *Water Law of the People's Republic of China*, and have established the *Water Management System* and the *Factory Water Resources Management System* to form a robust water resource management system.

We utilized the "Aqueduct" water risk assessment tool from the World Resources Institute to evaluate the overall water risk level at the company's production locations under baseline scenarios, and the results indicate that the company is located in a high-water-risk area.

The company regularly summarizes the water usage measures within the plant and implements targeted water-saving measures. We have also established a water-saving work leadership group to provide guidance and supervision to better implement various water-saving measures. In recent years, the company has actively introduced water-saving technological improvements based on actual production conditions, including the recycling of indirect cooling water, the complete reuse of treated production wastewater, and the collection and reuse of condensed steam water in the condensate reuse tank.



Water Stress Analysis



Water Saving Publicise

| | Indicator | Unit | Performance in 2021 | Performance in 2022 | Performance in 2023 |
|--|--|------|---------------------|---------------------|---------------------|
| | Total Water Consumption | m³ | 392,415.00 | 365,955.00 | 399,752.49 |
| | Municipal Water Supply | m³ | 62,414.00 | 62,332.00 | 91,186.59 |
| | Wastewater From Other Companies or Organizations (Reclaimed Water) | m³ | 330,001.00 | 303,623.00 | 308,565.90 |
| | Recirculated Water Usage | m³ | 497,408,032.00 | 495,792,848.00 | 552,427,272.00 |
| | Water Consumption per Unit of Production Output | m³/t | 5.74 | 5.47 | 6.77 |

5.4Greenhouse Gas Emission Management

Junma Tyre Cord recognizes the importance of greenhouse gas management. We actively respond to the national "dual carbon" goals and conduct regular greenhouse gas accounting for the company scope in accordance with ISO 14064-1:2018 and GHG Protocol requirements.

| | Indicator | Unit | Performance in 2022 | Performance in 2023 |
|--|--|-------|---------------------|---------------------|
| | Total Amount of Greenhouse Gases Emissions | tCO2e | 1,394,954.99 | 1,003,738.72 |
| | Scope 1 Emissions | tCO2e | 23,005.22 | 9,343.60 |
| | Scope 2 Emissions | tCO2e | 276,225.96 | 162,666.96 |
| | Scope 3 Emissions | tCO2e | 1,095,720.81 | 831,728.15 |

In addition, we actively respond to the initiative of the "Paris Agreement" climate convention to further limit the global temperature rise within 1.5°C during this century. Based on the 2023 greenhouse gas emission intensity as a baseline, we have developed and submitted to the Science Based Targets initiative (SBTi) a short-term greenhouse gas reduction plan covering Scope 1, Scope 2, and Scope 3 emissions, following the guidance of the GHG Protocol. More details can be found in the "Climate Change Mitigation" section.

5.5 Biodiversity

Junma Tyre Cord consistently monitors the impact of its activities on biodiversity and strictly adheres to the relevant laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, as well as the guidance policies, such as the *State Council General Office's Opinions on Strengthening Biodiversity Conservation*.

We pledge to incorporate biodiversity conservation into all our business operations and strictly implement the requirements of relevant laws for the operation sites, maintaining and protecting local biodiversity. During the reporting period, all our production and operation bases were located within mature industrial parks and designated industrial lands. We did not have operations located within nature reserves or areas of high biodiversity. No significant impacts on biodiversity were identified in relation to our business activities, products, or services.

5.6 Climate Change Mitigation

With the increasing environmental crises and socio-economic issues caused by global warming and climate change, climate change has become one of the major challenges faced by human society in the 21st century. As a responsible company, Junma Chemical Fiber considers effective management and response to climate change risks as one of our key priorities in daily operations. We are committed to developing strategies and management approaches to address significant climate-related risks and opportunities. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we proactively identify significant climate risks, clarify the four core elements of the TCFD framework: governance, strategy, risk management, and metrics and targets. We continuously adopt effective and rational management policies, optimize the identification, assessment, and management of climate-related risks, and seize opportunities arising from the transition to a low-carbon and green economy.

5.6.1 Governance Structure

Junma Tyre Cord incorporates carbon neutrality-related work into its production and operation management through an improved governance structure. The ESG Leading Team, directly under the Board of Directors, is responsible for the comprehensive decision-making of sustainable development policies and strategies, including climate change issues. The ESG Execution Group, under the ESG Leading Team, is responsible for various actions, including research on carbon neutrality strategies, setting emission reduction targets, and implementing other initiatives.



5.6.2 Strategy

Following the recommendations of the TCFD framework, Junma Tyre Cord incorporates climate change management into its ESG management system, continuously establishing and improving the management process for climate risks.

5.6.2.1 Climate Risk Inventory

| |  |  |
|---------------------|--|--|
| Entity Risk | Physical Risk | Operational Risk |
| Climate Risk | Increasing frequency and severity of extreme weather events (e.g., heavy rainfall, floods) | Increase in average temperature |
| Impact | <ul style="list-style-type: none">• Extreme weather causes physical damage to the company's assets• Extreme weather disrupts the company's production, transportation, and supply chain• The health and safety of employees are threatened | <ul style="list-style-type: none">• The increase in water and electricity consumption at operational sites leads to higher operational costs• Production and transportation equipment experience reduced durability due to temperature impacts |
| Time Horizon | Short-term (1-2 years) | Long-term (5-10 years) |
| Mitigation Measures | <ul style="list-style-type: none">• Infrastructure improvements, prioritizing designs for wind and flood resistance• Strengthening supply chain management, diversifying suppliers and logistics channels, reducing supply chain disruption risk• Enhancing monitoring and early warning systems for extreme weather events and conducting emergency response drills• Business continuity planning (BCP) with clear emergency response procedures to realize continuous operation | <ul style="list-style-type: none">• Establishing high-temperature monitoring and early warning programs for production and transportation equipment• Explore scientific and efficient refrigeration methods, conduct periodic specialized testing and maintenance |



Transformation Risk

| | | | |
|---------------------|--|---|--|
| Climate Risk | Climate-related policy risk | Clean technology development | Customer perceptions converting |
| Impact | <ul style="list-style-type: none">Government policies such as water and electricity restrictions force companies to halt or reduce production, resulting in higher operational costs.The implementation of carbon emission management measures by the government and the gradual increase in carbon emission allowance pricing lead to increased compliance costs. | <ul style="list-style-type: none">The development cost increases during the process of replacing high energy-consuming equipment with low-emission equipment driven by technology.The development cost increases during the process of replacing high energy-consuming equipment with low-emission equipment driven by technology. | <ul style="list-style-type: none">The shift in customer environmental awareness leads to a continuous increase in attention and expectations towards green and low-carbon products. Failure to respond to customer demands in a timely manner may result in a decline in market share. |
| Time Horizon | Long-term (5-10 years) | Long-term (5-10 years) | Medium-term (3-5 years) |
| Mitigation Measures | <ul style="list-style-type: none">Strengthening communication with governments and relevant regulatory authorities to stay informed of policy changes and proactively adjust business and operational arrangements.Implementing energy saving technological upgrades, enhancing energy management systems.Establishing an internal greenhouse gas emission management system, strengthening carbon emissions monitoring and compliance confirmation. | <ul style="list-style-type: none">Focus on research and development of clean technologies, reducing costs through innovative clean production methods.Continuously explore and apply green materials to improve product performance and reduce costs.Gradually increase the proportion of clean energy through self-built clean energy facilities or purchasing Renewable Energy Certificates (RECs) Transformation Risk Customer mindset and behavior shift. | <ul style="list-style-type: none">Actively explore and develop green and low-carbon products, increase research and development investment, and enhance the proportion of green products in shipment volume.Proactively promote green and low-carbon products, building a positive brand image. |

5.6.2.2 Climate-related Opportunity Inventory

| Climate Opportunities | Impact | Time Horizon | Mitigation Measures |
|-----------------------|---|-------------------------|--|
| Products and Services | Increasing customer inclination towards green products and services. | Medium-term (3-5 years) | Respond to market trends by continuously promoting research and development of green products, conducting product life cycle carbon footprint management, and meeting customer expectations while enhancing product competitiveness. |
| Policies and Support | Increasing number of green policies encouraging the consideration of green and clean products in the market, providing strong opportunities for business expansion. | Long-term (5-10 years) | Seize opportunities by promoting research and development of green products, exploring new market opportunities. |
| Resources Efficiency | Increase resource utilization efficiency through energy-saving retrofitting, resource recycling, and other means. | Medium-term (3-5 years) | Conduct energy-efficient retrofitting internally and explore opportunities for material recycling to improve resource utilization. |
| Energy Source | Use of clean energy to reduce greenhouse gas emissions, reducing compliance costs. | Long-term (5-10 years) | Actively explore technological opportunities in renewable energy, reduce electricity costs and carbon emissions through the deployment of clean energy systems. |
| Green Finance | The rapid growth of responsible investment and sustainable finance leading to lower funding costs. | Medium-term (3-5 years) | Make use of preferential policies provided by green finance, actively explore green and sustainable development paths. |

5.6.3Climate Risk Management

The company incorporates climate-related risk management into its overall risk management system and conducts identification, analysis, and evaluation of climate-related risks.

To enhance resilience in responding to physical risks, we actively monitor and track extreme weather events, conduct risk forecasting, and develop emergency plans and control measures to gradually reduce the impact of physical risks on operations.

To address transformation risks, the company continuously monitors factors influencing the transition risks, such as policies, technologies, markets, and stakeholder demands related to low-carbon transformation. We closely monitor national climate change strategies and regulatory policies, as well as the market supervision requirements of the industry we operate in, actively explore emission reduction opportunities, and make timely adjustments to our business operations to meet stakeholder expectations.

Our climate risk management process:



5.6.4Indicators and Targets



Actions

| Target Year | Scope | Measures | Expected Emission Reduction Effects |
|-------------|---------|--|-------------------------------------|
| <p>2025</p> | Scope 1 | Enhancing operational efficiency. | -10.69% |
| | Scope 2 | Energy-saving technological upgrades to improve energy utilization efficiency. | -10.69% |
| | Scope 3 | Maximizing the use of recycled materials and improving the rate of return and reuse of returned goods. | -11.60% |
| <p>2035</p> | Scope 1 | Energy transition initiatives. | -64.15% |
| | Scope 2 | Purchasing renewable energy certificates (RECs). | -64.15% |
| | Scope 3 | Driving collective emission reductions across the value chain. | -69.60% |



06

Diversity and Inclusivity

Occupational Health and Safety

Employee Development and Training

Rights and Welfare

06

Diversity and Inclusivity

6.1 Occupational Health and Safety

The company set a safety policy of Safety First, Prevention as Priority, Comprehensive Governance. We set annual objectives for occupational health management and strengthen various foundational safety management practices. During the reporting period, the company successfully passed the audit for the National Level 2 Safety Production Standardization Enterprise.



6.1.1Occupational Health Management System

The company strictly complies with the *Work Safety Law of the People's Republic of China* and other relevant laws and regulations to manage occupational safety. We have established documents such as the *Occupational Health Management System* and *Safety Production Rules and Regulations*. Annual safety objectives are set, and a Safety Production Responsibility Group has been established to implement the overall safety production responsibility system and continuously improve the occupational health management system.

Currently, the company has obtained ISO 45001 certification for occupational health management system and undergoes regular third-party audits to ensure compliance with occupational health and safety standards.



6.1.2 Safety Risk Management

The company has established the *Safety Risk Grading and Control Management System Policy* and conducts annual identification, evaluation, and control of hazards. Regular inspections are carried out to identify safety risks. Based on potential risks and hazards, the company actively organizes self-inspections, special emergency drills, and occupational health knowledge training to enhance the safety awareness of all employees.

Risk Assessment and Response

The company actively conducts hazard identification and risk grading. A performance evaluation and reward system is established to assess safety risk grading and control. Measures such as safety risk grading control and hidden risk investigation and treatment are implemented to prevent and control risks. Regular inspections and dynamic supervision are conducted to evaluate the performance of safety risk grading, and any unsafe conditions identified during inspections are promptly addressed.

In 2023, the company achieved 100% coverage of workplaces that underwent employee health and safety risk assessments. During the reporting period, the company did not experience any significant safety accidents. None of employees suffered fatal or severe injuries due to work-related accidents, and the lost time severity rate for directly employed labor was also 0.

Risk Source Identification

- Regularly organize safety inspections to conduct comprehensive identification of safety risks.
- Regularly monitor the operation of motor vehicles, key devices of safety equipment and facilities, special equipment, and general mechanical equipment.
- Enter risk information into the safety production supervision information platform to establish a safety risk list and database.

Risk Review and Rating

- Use the matrix method (R = LS) to conduct semi-quantitative analysis of hazards and determine the risk level.
- Divide harm to personnel, systems, and equipment into four levels: major risks, significant risks, moderate risks, and mild risks according to the level of risk and hazard factors.

Risk Control and Mitigation

- Supervise the implementation of hazardous chemical operations, hot work operations, confined space operations, earthwork operations, lifting and hoisting operations, work at heights, electrical work, tower climbing, tank entry operations, and other hazardous operations.
- Develop measures for rectifying hidden dangers and verify their effectiveness after implementation.
- Establish and timely improve the special archives for enterprise safety production risk control, to achieve dynamic management.

Facility Management

The company has established documents such as the *Protective Facility Maintenance and Overhaul System* and the *Emergency Equipment Management and Maintenance System* to conduct professional inspections, routine maintenance, and upkeep of transportation vehicles, electrical equipment, mechanical equipment, safety devices, etc. Trainings are also conducted on equipment usage, inspection, and maintenance to ensure the safety of the working environment.

Carry out regular safety inspections on equipment

Timely replace or repair emergency equipment that does not meet the standards

Promptly record and address any abnormalities in the registration form.

Working at Heights Safety Management

- Departments engaged in working at heights must obtain a safety permit for height working.
- Provide fall protection equipment, climbing tools, and other labor protective equipment to prevent employees from falling or tripping.
- Provide safety education to personnel involved in working at heights.
- Equip personnel working at heights with necessary communication tools and designate a person responsible for communication.
- Prohibit individuals with occupational prohibitions or poor eyesight, elderly or weak individuals, fatigued or under the influence of alcohol from engaging in working at heights.

Emergency Management

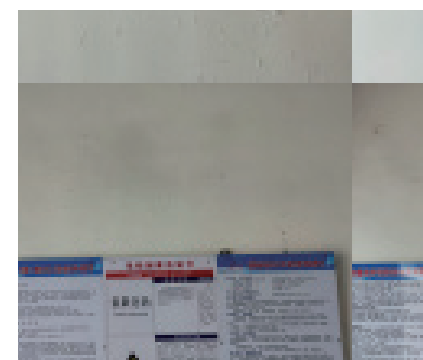
The company has established a tiered emergency command system and formulated the *Emergency Rescue Management System* to standardize the emergency evacuation procedures, rescue processes, and other management details for various types of emergency incidents. It organizes all employees to undergo emergency response plan training and regularly conducts various emergency drills, including fire drills.

Furthermore, the company equips employees with emergency management cabinets and first-aid kits. Regular inspections, maintenance, and updates of emergency supplies and facilities are carried out to ensure their and usability.

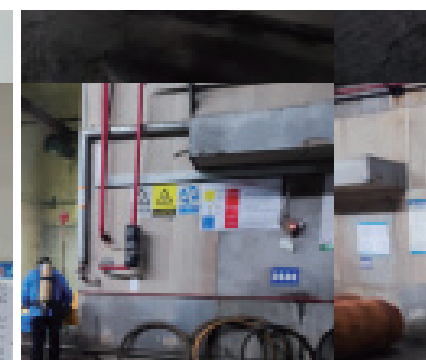
6.1.3 Occupational Disease Prevention and Control

The company has established the *Occupational Disease Hazard Prevention and Control Responsibility System* and the *Occupational Disease Hazard Emergency Rescue and Management System*, formed an occupational disease hazard accident investigation team, an occupational disease prevention and control leadership team, and an occupational disease hazard accident rescue team. These teams are responsible for carrying out occupational disease prevention and control work in production sites across various locations.

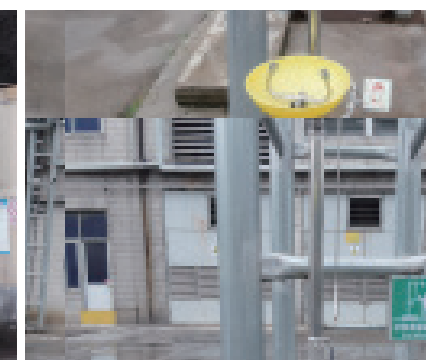
- Regularly monitor occupational hazard factors in the working environment
- Honestly inform employees of occupational hazard factors and issue occupational hazard notification cards
- Strictly prohibit arranging employees to engage in jobs with occupational contraindications
- Set up corresponding warning signs in places with occupational hazards
- Strictly implement occupational health training for employees before, during, and after job transfers, and regularly conduct related drills
- Provide personal protective equipment such as safety helmets, safety shoes, protective gloves, etc.
- Equip with first-aid kits
- Provide occupational health examinations for employees exposed to occupational hazard factors
- Ensure that employees enjoy work-related injury social insurance benefits according to the law



Labels



Emergency Drill



Eye Washer

Noise Management

Junma Tyre Cord manages and controls noise within the company according to the *Industrial Enterprise Boundary Environmental Noise Emission Standards (GB 12348-2008)*. We regularly maintain production lines and related equipment, prioritize the use of noise-free or low-noise equipment to reduce noise generation at the source. At the same time, we prohibit vehicle honking within the factory area and implement measures such as sound insulation, noise reduction, and vibration damping on noise sources to minimize noise emissions. This creates a favorable working and living environment for our employees and surrounding residents.

In 2023, we commissioned a third-party testing organization to conduct noise testing in the factory area in accordance with "Measurement of Physical Factors in the Workplace Part 8: Noise" (GBZ/T 189.8-2007). The results were evaluated according to "Occupational Exposure Limits for Hazardous Agents in the Workplace Part 2: Physical Factors" (GBZ2.2-2007). We conducted tests at six different locations throughout the factory area, and the results showed that all points meet the standard requirements.

Prevent Repetitive Strain Injury

In addition, in response to occupational hazards such as repetitive strain injury, the company provides personal protective equipment such as safety helmets, safety shoes, and protective gloves for employees in relevant positions.

During the reporting period, the number of employees with occupational diseases in the company was 0.

6.1.4 Contractor Management

To enhance the safety awareness of contractors, the company has formulated the Contractor Safety Management System, conducting safety supervision and inspection as well as safety education and training for contractors to prevent accidents during their operations.

Pre-access Qualification Review

- Safety Production License
- Safety training completed by the enterprise's responsible personnel, project leaders, and safety managers
- Special operations personnel must hold special operation qualification certificates before taking up their posts
- Complete comprehensive safety management system and sound safety operating procedures in place
- Dedicated (or part-time) safety managers employed
- Emergency rescue plans established
- fire-fighting facilities, protective equipment, and rescue appliances available

Safety Education and Training

- Contractor safety training materials tailored to the specific work characteristics of construction personnel
- Construction personnel must undergo safety training and pass the examination

On-site Safety Management

- Construction personnel on site must wear labor protection clothing, safety helmets, protective shoes, etc., as stipulated in the regulations
- Safety warning signs must be set up at the construction site

6.1.5 Accident Reporting

To facilitate employees' reporting of potential safety hazards, the company publicly sets up and regularly maintains in-plant communication facilities such as reporting hotline to ensure that employees can promptly report occupational health and safety accidents, risks, and concerns. It also notifies and coordinates the resolution of significant safety hazards identified, formulates preventive measures, and develops response strategies.

6.1.6 Safety Culture Cultivation

Employee Training

The company conducts various health and safety risk management-related trainings, including three-level training for new employees, hazardous chemicals management training, work safety risk classification and control system training, and occupational health knowledge training. During the reporting period, a total of 18,305 hours of safety training was provided to employees, achieving a 100% training coverage rate.



Safety Production Training

Promoting Safety Awareness

To enhance the safety awareness among our employees, our company has implemented a safety performance appraisal system and formulated the "Work Safety Rewards and Punishment Regulations." This system incentivizes proactive efforts towards achieving safe production practices, thereby preventing accidents caused by mis operations or other negligence.

Furthermore, we organize an annual Work Safety Month campaign, during which all employees are invited to view compilations of machinery-related injury accidents and cautionary educational videos focusing on forklift safety. These initiatives aim to reinforce our workforce's commitment to workplace safety.

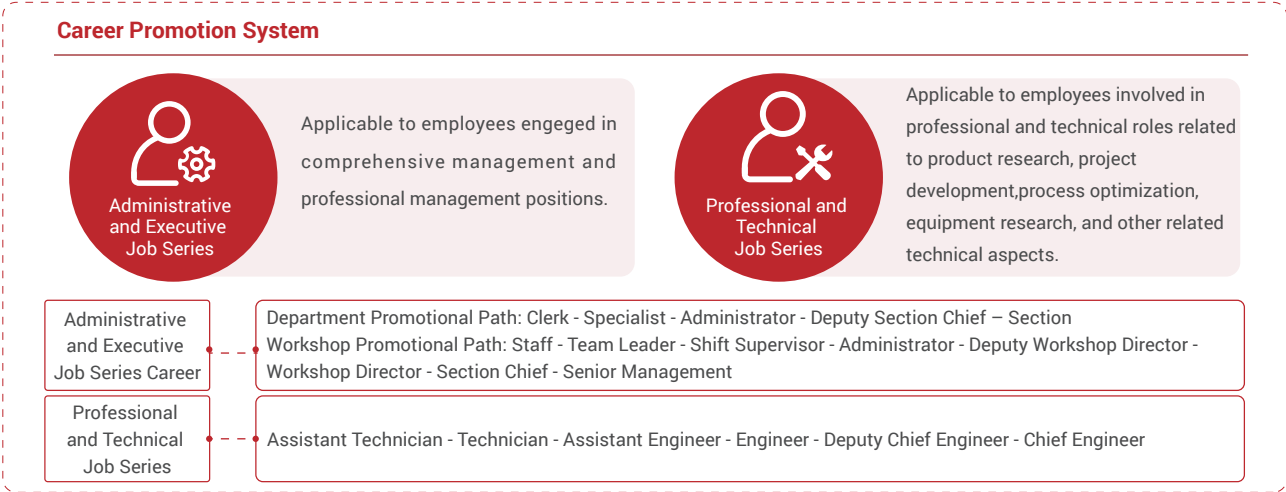
6.2 Employee Development and Training

| Our Targets | | |
|---|---|---------------------|
| Qualitative indicators | The company commits to continuously providing employees with trainings including courses for skills development, labor rights and human rights, safety production, business ethics, and environmental protection. | |
| Quantitively indicators | Targets towards 2030 | Performance in 2023 |
| Employee Training Coverage Rate | 100% | 100% |
| Percentage of Employees Undergoing Performance Evaluation and Career Development Management | 100% | 100% |

Career Management and Professional Development

The company adheres to *Labor Law of the People' s Republic of China* and has formulated documents such as the *Employee Promotion System*, *Internal Job Transfer System*, and *Human Resources Control Procedures* based on the principles of equality, openness, competition, merit-based selection, and internal priority. Throughout the processes of recruitment, job level adjustments, performance evaluations, and trainings, the company strictly prohibits any discrimination based on factors such as race, skin color, religion, gender, age, disability, sexual orientation, and ensure that our talent selection and recruitment philosophy are transparently communicated to all job seekers.

The company offers equal opportunities for career advancement to all types of employees and provides rich room for professional growth. Recognizing the diverse nature of job roles, our company has established a dual-career path development system, which serves as the foundation for mapping out career development paths for all employees. This system supports employees in choosing either a horizontal or vertical development trajectory based on their individual aspirations and goals.



In addition, the company supports employees in making internal job transfers based on their personal preferences and has formulated the *Employee Promotion System and Internal Job Transfer System*, which considers both performance evaluation results and employee capabilities to arrange internal job level adjustments.

Performance Evaluation

The company has established the *Comprehensive Performance Evaluation Regulations* to assess the performance of each position, which serves as the basis for subsequent job level adjustments and bonus payments for employees.

Employee Retention

The company actively conducts employee turnover rate surveys, analyzes the reasons for employee departures, and implements targeted improvements.

In cases where the employment relationship is terminated not due to employee fault, the company will notify the individual 30 days in advance or pay an additional month's salary, while also providing economic compensation in accordance with relevant laws and regulations.

Furthermore, the company has formulated policies for the re-employment of retired personnel, considering both their physical health and professional competence, providing employees with re-employment opportunities.

6.2.2 Employee Training

We attach great importance to the cultivation and development of employees' professional competence and personal accomplishments. Based on employees' career development needs, the company has established a differentiated training system for various positions, appointed full-time/part-time trainers, and set up a three-level education and training network. This system operates through a combination of group-level training and subsidiary-level training, offering full-time, part-time, and on-the-job training methods to support employee development.

According to the unique characteristics of different job modules, the company regularly and irregularly conducts various business and quality training programs and organizes competitions, tailored to meet the individual career development needs of employees and promote their overall quality enhancement.

Employee Training System

| Training Categories | Contents | |
|------------------------|--|---|
| Internal trainings | Induction Training | Company Introduction, Corporate Culture, Organizational Structure Employee Handbook, Company Rules and Regulations Safety Production Knowledge |
| | Onboarding Training | Department Functions and Work Objectives Required Skills for the Position |
| | Safety Training | Practical Operating Skills and Work Procedures Cooperation Relationship between the Department and Other Relevant Departments |
| External trainings | In-Service Training | Job Exchange Training Professional Development Training Training on New Regulations, New Technologies Training on Operating Methods of New Equipment, etc. |
| | Based on the requirements of each department's position and combined with individual employee needs, the department head applies, which, upon approval by the General Manager, can entrust relevant training institutions to conduct training within the company or organize relevant personnel to participate in external training. | |

During the reporting period, the company conducted a total of 45 training sessions, totaling 23,625 hours, including 24 skill training sessions.

6.3 Rights and Welfare

Our Targets

| | | | |
|----------------------------|---|--|--|
| Qualitative indicators | The company resolutely opposes the employment of child labor, forced labor, discrimination, and harassment incidents. | | |
|----------------------------|---|--|--|

Working conditions

| | | | | |
|--|----------------------|------|---------------------|------|
| Employee Social Security Contribution Rate | Targets towards 2030 | 100% | Performance in 2023 | 100% |
| Employee Subsistence Wage Payment Rate | Targets towards 2030 | 100% | Performance in 2023 | 100% |

Child Labor and Forced Labor

| | | | | |
|---|----------------------|------|---------------------|------|
| Child Labor Incidents | Targets towards 2030 | 0 起 | Performance in 2023 | 0 起 |
| Forced Labor Incidents | Targets towards 2030 | 0 起 | Performance in 2023 | 0 起 |
| Training Coverage on Child Labor Prevention and Anti-Forced Labor | Targets towards 2030 | 100% | Performance in 2023 | 100% |

Incidents of Discrimination and Harassment

| | | | | |
|---|----------------------|------|---------------------|------|
| Incidents of Discrimination and Harassment | Targets towards 2030 | 0 起 | Performance in 2023 | 0 起 |
| Training Coverage on Prevention of Discrimination and Human Rights Violations | Targets towards 2030 | 100% | Performance in 2023 | 100% |

Two-way Communication

| | | | | |
|--|----------------------|------|---------------------|------|
| Collective Bargaining and Labor Union Coverage | Targets towards 2030 | 100% | Performance in 2023 | 100% |
|--|----------------------|------|---------------------|------|

The Company adheres to the laws and regulations such as *the Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has formulated relevant regulations covering areas including compensation, dismissal, recruitment, promotion, working hours, leave policies, equal opportunities, diversity, anti-discrimination, as well as employee benefits and welfare.

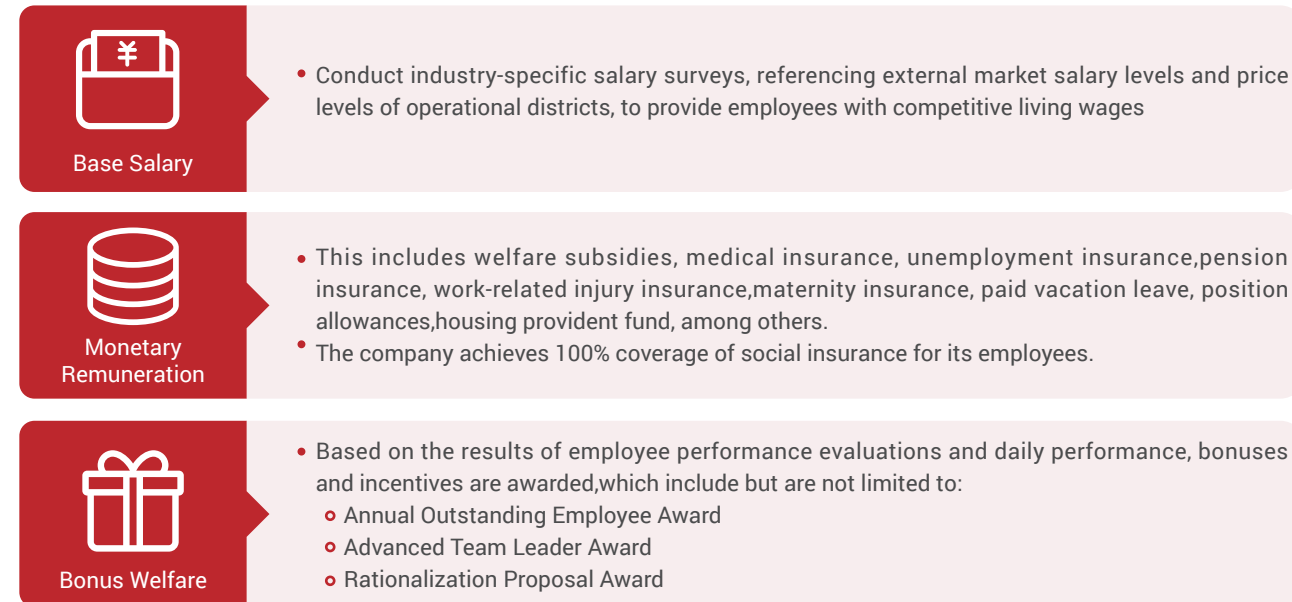
During the reporting period, the company was honored as a "Harmonious Labor Relations Enterprise" in Suzhou City.

6.3.1 Working Conditions

Salary Management

The company has established the *Salary System Plan*, which adjusts the overall salary levels in a timely manner based on factors such as the minimum wage standards issued by local government departments, price levels and industry performance. This ensures that all employees receive a living wage sufficient to sustain their livelihoods, with annual salaries exceeding the per capita disposable income of urban residents in Zhangjiagang.

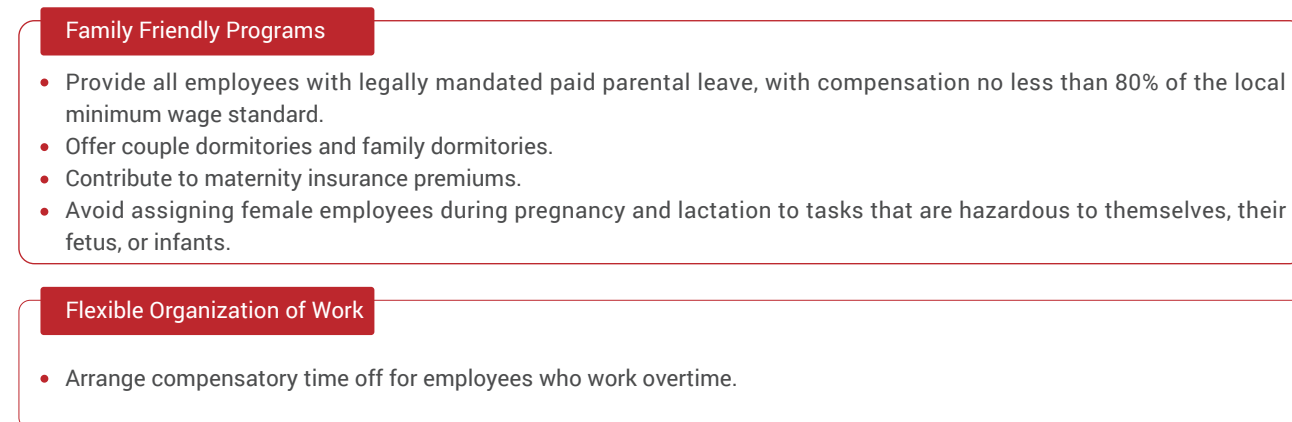
The company offers performance-based salary adjustments and bonuses based on employees' performance evaluations, adhering to the principles of distribution according to work and equal pay for equal work. Through the "*Employee Handbook*," the company communicates the process for determining salaries to all employees and continuously improves its salary and benefit systems.



Working Hours Management

The company arranges employee working hours according to standard working hours. For employees who have to work overtime, the company will pay overtime compensation in accordance with the corresponding overtime pay standards.

Welfare System

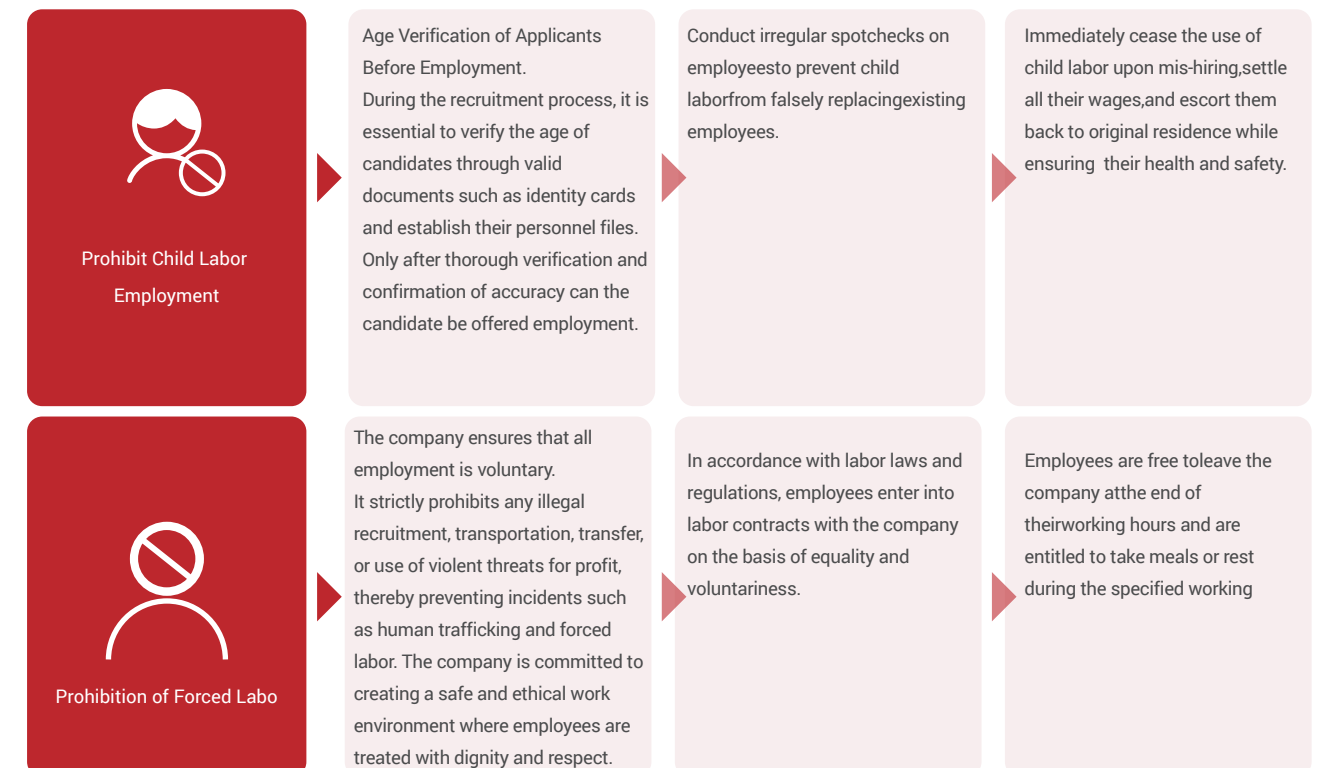


In addition, the company organizes various cultural and recreational activities every year, enabling employees to enhance communication, foster camaraderie, and improve their overall quality amidst laughter and joy, thereby nurturing a healthy and uplifting corporate culture.

6.3.2 Compliant Employment

Child Labor and Forced Labor

The company has formulated the Management Regulations on Child Labor and Minor Workers, Measures and Policies for Prohibiting Forced Labor and conducts related training sessions. Employees are encouraged to proactively report any actual or suspected instances of forced labor through channels such as the labor union, employee representative conferences, and democratic life meetings, to prevent the employment of child labor and the occurrence of forced labor incidents.



Furthermore, the company implements a registration system for the employment and special protection of young workers.

- Arrange work with appropriate intensity for employees.
- Refrain young workers from assigning night shifts or overtime work.
- Ensure that young workers are not placed in hazardous or unhealthy work places.
- Guarantee young workers the same remuneration as adult workers for the same work.
- Conduct regular health examinations for all employees to maintain their well-being.

During the reporting period, no incidents of child labor employment and forced labor happens within the company, with a 100% training coverage rate on child labor prevention and anti-forced labor measures.

Anti-Discrimination and Anti-Harassment

The company has established *Regulations on Anti-Discrimination, Anti-Harassment, and Anti-Abuse*, which strictly prohibit any unfriendly, discriminatory, or offensive words or behaviors based on race, skin color, religion, gender, age, disability, sexual orientation, or any other grounds during employee recruitment, job promotions, performance evaluations, training, and other processes.

During the reporting period, the company recorded 0 incidents of discrimination or harassment, and achieved a 100% training coverage rate on preventing discrimination and protecting human rights.

Diversity and Equal Opportunities

The company is committed to providing equal employment opportunities for minorities and vulnerable groups and has included special provisions for the protection of female employees in collective agreements.



Ensuring Employment Opportunities for the Disabled

- | | |
|---------------------|--|
| Equal Opportunities | <ul style="list-style-type: none"> The company provides equal opportunities for employment, promotion, and training to qualified disabled individuals who have passed health examinations and relevant assessments apart from illnesses specified by the state that prevent individuals from working. |
| Labor Protection | <ul style="list-style-type: none"> Based on the characteristics of disabled employees, the company provides suitable working conditions and labor protection. The company also undertakes modifications to workplaces, equipment, and living facilities to create convenient conditions conducive to the work of disabled individuals. |

Special Protection for Female Employees

- | | |
|-----------------------------------|---|
| Fair Recruitment | <ul style="list-style-type: none"> It is not prohibited to refuse to hire or change the hiring standards for females except for jobs or positions that are not suitable for them. |
| Protection During Special Periods | <ul style="list-style-type: none"> Implement rest, leave, and benefits for female employees during pregnancy, childbirth, and lactation periods. Dismissing, reducing salary or demoting female employees due to marriage, pregnancy, childbirth, or lactation, or assigning them to dangerous tasks during pregnancy is strictly prohibited. Treat female employees' holidays for birth control surgery, prenatal examinations during pregnancy, maternity leave, and breastfeeding time during lactation as normal work and pay wages accordingly. For female employees who cannot adapt to their original work during pregnancy, reduce their workload or arrange other suitable positions. Pay maternity insurance premiums. |
| Female Employee Representatives | <ul style="list-style-type: none"> Gradually increase the proportion of female representatives in the company's staff congress. Involve female representatives in the formulation and revision of rules and regulations related to the rights and interests of female employees, as well as in the entire process of equal consultation and signing of collective contracts. |
| Salary Equity | <ul style="list-style-type: none"> Ensure that female employees receive equal labor rights and benefits, implementing the principle of equal pay for equal work. Closely monitor the salary gap between male and female employees, conduct analysis, and provide compensation as necessary. |
| Health and Safety Protection | <ul style="list-style-type: none"> Arrange annual gynecological examination for female employees and provide the corresponding expenses. Provide monthly hygiene products or allowances. |

6.3.3 Two-way Communication

The company conducts multi-level rationalization proposal activities, establishes an open and transparent two-way communication system, respects employees' freedom of association, allows employees to freely form associations and participate in labor unions, engage in collective bargaining, and organize peaceful assemblies in accordance with the law, while encouraging employees to actively participate in enterprise management.

- | | |
|--------------------------------------|---|
| Labor Union | <ul style="list-style-type: none"> Labor union coverage:100% Labor union attendance rate of formal employees:100% |
| Collective Agreement | <ul style="list-style-type: none"> Collective agreement coverage at 100% with employees Reach a written agreement on matters including health and safety, labor compensation, working hours, rest and holidays, trainings, welfare system, and gender equality. |
| Employee Representative Congress | <ul style="list-style-type: none"> Leverage the role of employee representative congresses in democratic decision making, management, and oversight Organize employee representatives to participate in employee representative congresses Strictly prohibiting retaliation against employee representatives |
| Satisfaction Survey | <ul style="list-style-type: none"> Conduct employee satisfaction surveys from the perspectives of career development opportunities, compensation systems, and performance evaluation systems Analyze the results of satisfaction surveys and make targeted improvements |

The company has been committed to safeguarding employees' freedom of association and rights to sign collective agreements in the long term. We have set relevant goals, aiming to maintain 100% labor union coverage and collective agreement coverage by 2030.

In addition to the above channels, we also regularly organize employee forums to hear from employees.

Regarding child labor employment, discrimination, harassment, forced labor and other anti-human rights incidents, the company has established reporting channels, such as suggestion boxes in prominent locations, WeChat groups and hotlines, and disclosed these complaint avenues publicly in the Employee Handbook to facilitate employee grievances. The company commits to investigate employee complaints in a diligent and confidential manner; once the allegations are confirmed to be true, appropriate disciplinary measures will be taken against the perpetrators, improvements related to the matters will be implemented, while ensuring the confidentiality of the informant's information and preventing retaliation.

07

Responsible sourcing

—

Supply chain management

Supplier Communications

Procurement Personnel Management

07 Establish Responsible Supply Chain

7.1 Supply Chain Management

Our Targets



- Mitigate risks associated with ESG factors in the supply chain (including reputational risks and supply chain risks).
- Reduce the company's environmental and social impacts through sustainable procurement practices.

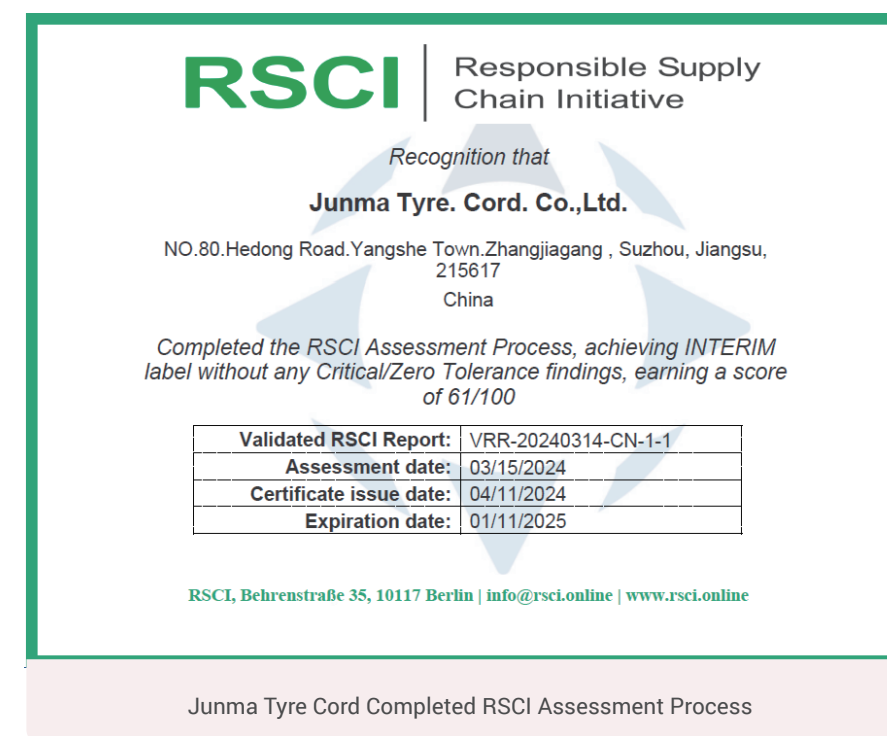


To reduce supply chain risks, build a sustainable supply chain, ensure that procured products meet standard specifications, and prevent production safety accidents caused by defects in externally supplied products, the company has formulated systems such as *Supplier Management System*, *Sustainable Procurement Policy*, and *Supplier Code of Conduct*, as well as a set of sustainable procurement goals.

Key Performance Indicators

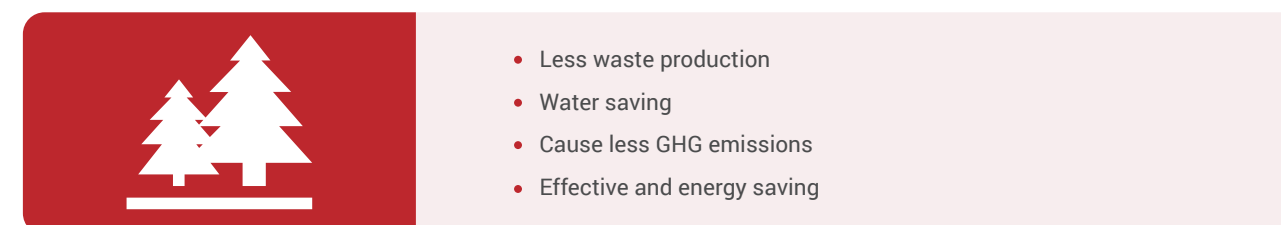


Currently, the company has already participated in the responsible supply chain initiative (RSCI).



7.1.1 Material Selection

During raw material sourcing process, there is a priority for the following factors:



7.1.2 Supplier Management

For different types of existing suppliers, the company has developed specialized management processes that incorporate social or environmental clauses into supplier contracts. These processes integrate requirements related to business ethics, environmental protection, labor rights, and human rights into the management of suppliers, further strengthening the supply chain management.

| | |
|-----------------------------------|--|
| Risk Analysis | <ul style="list-style-type: none"> Conduct a comprehensive risk analysis of suppliers based on the following criteria: <ul style="list-style-type: none"> Basic Information & Business License Quality Management System Certification Environment Mangement System Certification Occupational Health and Safety Management System Certification |
| CSR Performance Assessment | <ul style="list-style-type: none"> Distribute questionnaires to suppliers covering the following aspects to score their performance, establishing a list and records of qualified suppliers: <ul style="list-style-type: none"> Child Labor & Minor Workers Forced Labor Discrimination & Abuse Freedom of Association, Two-way Communication and Reporting Mechanism Working Hours & Living Wage Setting Business Ethics Fire Safety Chemical Safety Emergency Management & Equipment Maintenance Dormitory & Canteen Management Environmental Protection System Certifications: Check for relevant certifications such as ISO 45001, ISO 50001, etc. |
| Vulnerable Groups Support | <ul style="list-style-type: none"> Preferentially select suppliers owned by females, individuals with disabilities, or other disadvantaged groups, provided they meet the same criteria in product quality, technical services, and social responsibility performance. |
| On-site Audit | <ul style="list-style-type: none"> Conduct on-site CSR audits. Promptly communicate audit results, including any non-conformities, to the suppliers. |
| Rectification Oversight | <ul style="list-style-type: none"> Ask suppliers to promptly address and rectify any violations of CSR standards. Conduct annual reassessments to continuously monitor supplier CSR performance. Mandate suppliers to establish quality, environmental, occupational health and safety, and social responsibility validated management systems through third-party certifications within a year, and undergo RSCI inspections. |
| Incentive & Disciplinary Measures | <ul style="list-style-type: none"> Prioritize suppliers with excellent CSR performance based on risk assessments, performance scores, and on-site audit results. Suspend suppliers who fail to meet standards three consecutive times and replace them with qualified alternatives. |

7.2 Supplier Communications

7.2.1 Policy Propagation

In accordance with the requirements of RSCI, the company disseminates its Responsible Sourcing Policy and annual audit plan to all suppliers through online and offline channels and requires all suppliers to undergo on-site audits conducted by the company.

7.2.2 Capacity Building

The company annually convenes key suppliers for centralized training and technical exchanges, focusing on the requirements of RSCI, directions for technological improvement, and other relevant topics. Relevant communication or training records are maintained.



Technical Exchange on Recycled Chips with Shuye Company

7.3 Procurement Personnel Management

The coverage of sustainable procurement-related training for procurement department personnels

100%

Targets towards 2030

100%

Performance in 2023

7.3.1 Procurement Personnel Performance Evaluation

To improve procurement quality and build a robust and sustainable supply chain, the company incorporates supplier's quality management, business ethics, and CSR performance into the performance evaluation of procurement personnel.

7.3.2 Procurement Personnel Training

In accordance with the company's sustainable procurement policy, training is provided to all procurement personnel to enhance their knowledge and skills related to environmental and social responsibility risks in the supply chain, supplier assessment content and procedures, and other relevant aspects. The trainings are conducted for all procurement department personnel. During the reporting period, the company conducted training sessions twice, covering 100% of procurement department personnel.



08

Innovation-driven for Quality Enhancement

Research and Innovation

Product Quality & Safety

Customer Service

08 Innovation-driven for Quality Enhancement

8.1 Research and Innovation

The company strictly adheres to laws and regulations such as *Law of the People’s Republic of China on Scientific and Technological Progress* and *Patent Law of the People’s Republic of China* and has established its research and development (R&D) innovation system. Through R&D personnel, R&D platforms, and strategic partnerships, the company continuously improves the top-level design for technological innovation and establishes sound operational mechanisms and systems.

R&D Personnel

The company’s R&D center has a total number of 46 professional R&D personnel, including 2 cooperative professors from academia, 2 individuals with master’s degrees, and 3 with senior professional titles. These talents come from various fields such as Materials Science, Textiles, and Chemical Engineering.

Collaboration

The company has established long-term partnerships with universities such as Donghua University, East China University of Science and Technology, Suzhou University, and Nanjing University of Engineering. It collaborates with Hangzhou Zhongce on the project "Replacement of Nylon 6 Coated Curtain Fabric with Modified Polyester Coated Curtain Fabric" to continuously research and apply new technologies, new processes, and new products. These collaborations aim to enhance the company’s capacity for continuous innovation.

R&D Platforms

The company has established R&D platforms such as the Junma Industrial Chemical Fiber Engineering Technology Research Center of Jiangsu Province, Jiangsu Enterprise Engineering Technology Center, Jiangsu Research Workstation for Postgraduates, and Suzhou Rubber Skeleton Material Research Institute.

emphasis on the construction of hardware facilities for research and development sites, boasting a range of advanced pilot and small-scale test equipment. It is equipped with pilot workshops, comprehensive laboratories (including DSC, GPC, and other testing instruments), project team offices, scientific and technological information retrieval centers, expert offices, multimedia seminar rooms, multi-functional conference rooms, and testing centers.

The company possesses nearly 100 sets of high-precision and cutting-edge equipment within the industry, such as the Instron universal testing machine from the US, a dry heat shrink tester from the UK, a differential scanning calorimeter from the US, a Fourier transform infrared spectrometer and an ultraviolet-visible spectrophotometer both from Shimadzu in Japan, a gel permeation chromatography system from Germany, a full set of top-tier testing instruments including rubber vulcanizers from Switzerland, as well as high-end research and development equipment like the Bagmati spinning machine from Germany.

The company boasts nearly 100 sets of industry-leading sophisticated equipment, including a full range of top-notch testing instruments such as the Instron Tensile Testing Machine from the US, the Dry Heat Shrink Tester from the UK, the Differential Scanning Calorimeter from the US, the Shimadzu Fourier Transform Infrared Spectrometer and the Shimadzu UV-Visible Spectrophotometer from Japan, the German Gel Liquid Chromatograph, the Swiss Rubber Vulcanizing Machine, as well as sophisticated research and development equipment such as the Bagema Spinning Equipment from Germany.

To encourage employees to actively engage in product research and innovation, the company has increased its efforts in patent applications and enhanced rewards for patent inventors. During the reporting period, the company invested 100.79 million yuan in product research and innovation and successfully developed products such as polyester cord fabric with high dimensional stability and low creep properties, and recycled PET dipped cord fabric, etc.

The company’s R&D team continuously develops high-tech products, particularly those with independent intellectual property rights and core technologies. This improves the technical level and product quality of industrial chemical fibers, breaks foreign monopolies on new fiber technologies, further enhances product added value and exports advantages, results in better performances in international market competition. In 2023, the company’s R&D center independently conducted research and development on 11 projects, including new environmentally friendly products such as nylon 6 black filament, UV-resistant nylon filament, nylon 6 heat-stable dipped cord fabric, and dipped nylon 6 black dipped cord fabric. The company has also completed the automation transformation of the high-modulus spinning oil emulsion formulation system and the dipped curtain workshop’s automatic rubber compound system. Currently, these products have been supplied in bulk.

As a national high-tech enterprise, the company is committed to promoting the development of tire carcass material industry. By the end of 2023, the company had formulated and issued 10 national standards and 3 industry standards. Some of the main standards drafted by our company include *HDB/FZ085-2012 Standard for Unit Consumption in the Processing Trade of Polyester Cord Fabrics*, *GB/T9102-2003 Nylon 6 Dipped Tyre Cord Fabric*, *GB/T30315-2013 Test Method for Reciprocating Flex Fatigue of Dipped Cords*, *GB/T33330-2016 Polyamide 6 Dipped Cord Fabric Technical Requirements and Evaluation Methods*, *TB/T36020-2018 Man-made Fiber--Test Method of Dipped Cord*, etc. These standards have established the company’s leading position in the industry and give it a certain level of influence.

| Standard Name and Number | | Standard Category | | Publication Status | |
|---|--|-------------------|-------------------|--------------------|-----------|
| Standard for Unit Consumption in the Processing Trade of Nylon-6 Cord Fabrics HDB/FZ064-2010 | |> | National Standard |> | Published |
| Nylon 6 Filament Yarns for Industry FZ/T54044-2011 | |> | Industry Standard |> | Published |
| Standard for Unit Consumption in the Processing Trade of Polyester Cord Fabrics HDB/FZ085-2012 | |> | National Standard |> | Published |
| Standard for Unit Consumption in the Processing Trade of Polyamide-6 Industrial Filament HDB/FZ080-2011 | |> | National Standard |> | Published |
| Assessment Indicator System of Cleaner Production--Polyamide 6 HX | |> | Industry Standard |> | Published |
| Slice Spun HMLS Polyester Industrial Filament Processing Trade Consumption Standards HDB/FZ 103-2013 | |> | National Standard |> | Published |
| Polyamide 6 Dipped Tyre Cord Fabric FZ/T 55001-2012 | |> | National Standard |> | Published |
| Test Method for Reciprocating Flex Fatigue of Dipped Cords GB/T30315-2013 | |> | National Standard |> | Published |
| Dipped Polyester Cord Fabric Technical Requirements and Evaluation Methods GB/T 32105-2015 | |> | National Standard |> | Published |
| Nylon 6 Dipped Tyre Cord Fabric GB/T9102-2003 | |> | National Standard |> | Published |
| Terms And Definition of Dipped Reinforcing Materials GB/T 32110-2015 | |> | National Standard |> | Published |
| Standard for Unit Consumption in the Processing Trade of Polyester Cord Fabrics HDB/FZ085-2012 | |> | Industry Standard |> | Published |
| Polyamide 6 Dipped Cord Fabric Technical Requirements and Evaluation Methods GB/T 33330-2016 | |> | National Standard |> | Published |

R&D System

R&D Personnel

Collaboration

R&D Platforms

8.2 Product Quality & Safety

| | | |
|---|--------------------------------|-------------------------------|
| Targets towards 2030 | | |
| Rate of First-Class Quality for Nylon 6 Dipped Tire Cord Fabric | ≥99.5% Targets towards 2030 | 99.94% Performance in 2023 |
| Rate of First-Class Quality for Polyester Dipped Tire Cord Fabric | ≥99.5% Targets towards 2030 | 99.89% Performance in 2023 |
| Rate of First-Class Quality for Nylon 66 Dipped Tire Cord Fabric | ≥98% Targets towards 2030 | 99.82% Performance in 2023 |
| Product Recall Events Due to Safety Reasons | 0 Targets towards 2030 | 0 Performance in 2023 |
| Health and Safety Violations Related to Products and Services | 0 Targets towards 2030 | 0 Performance in 2023 |

8.2.1 Quality Management System

Junma Tyre Cord strictly adheres to the laws and regulations such as the *Product Quality Law of the People's Republic of China* and *Standardization Law of The People's Republic of China*. The company has established a quality management system and formulated *Quality Manual* to standardize production process management, product quality management, and other quality management processes.

Currently, the company has obtained IATF 16949 certification for the established quality management system and has improved product quality management in accordance with the requirements of the management system standards to ensure high-standard product quality for customers.

Junma Tyre Cord Quality Policy

Quality goes first, technology revitalizes the factory; Integrity as the foundation, customer supremacy; Continuous improvement, efficiency enhancement and energy conservation; Innovation and pioneering, leading the industry.



8.2.2 Process Control

The company has invested 2 million yuan to introduce a Statistical Process Control (SPC) system, which utilizes statistical analysis techniques to conduct real-time monitoring of the production process. This system alerts against abnormal trends in the production process, thereby achieving the goal of improving and controlling quality. Additionally, the company has introduced an online fabric defect detection system and a nuclear magnetic resonance fiber oiling analyzer, significantly reducing labor intensity, minimizing testing errors, and enhancing product quality.

Online Fabric Defect Detection System, Nuclear Magnetic Resonance Fiber Oiling Analyzer



Furthermore, the company conducts product audits, process audits, and internal audits annually. In 2023, the company underwent second-party audits by 11 entities and successfully passed the third-party NQA quality system audit.

During the reporting period, the company did not experience any product recall events due to safety reasons, and there were no violations of health and safety regulations related to the products and services provided.

8.2.3 Quality Culture Construction

As a technology-driven innovative enterprise, the company conducted VDA6.3 internal auditor and IATF 16949 quality management system internal auditing training to create a positive and innovative atmosphere with a focus on quality. The company has also assisted employees in obtaining the relevant certifications. Additionally, the company organized skilled operation competitions for young workers and granted bonus rewards to all award-winning employees, with a participation rate exceeding 60%.

8.3 Customer Service

8.3.1 Handling of Non-Conforming Products

The company is committed to creating a high-quality customer service experience and pledges to continuously release products without any negative impact on consumer health and safety. We have established procedures such as *QP-13 Non-Conforming Product Control Procedure* and *WI-MR-003 Emergency Plan* to manage non-conforming products and product recall processes. In the event of process or service interruption or internal product quality issues, the quality department promptly organizes rework within the company or communicates with the sales department to coordinate with the customer and request their acceptance with concessions.

8.3.2 After-sales Management

When receiving customer return requests, the quality department takes timely measures to meet the customer's continuous production requirements and ensure uninterrupted production. For returned goods, the company handles them according to the non-conforming product control procedure, ensuring they are passed on to subsequent processes without affecting their use in downstream processes.

Furthermore, the sales and after-sales service personnel conduct irregular follow-ups on product usage to understand how the products are performing at customer sites. An After-Sales Product Quality Feedback Form will be filled out and, when necessary, after-sales service visits on-site for tracking purposes will be arranged for, which leads to carbon emissions reduction associated with product returns and exchanges, promoting responsible consumption.

8.3.3 Customer Complaint Management

Receipt of Complaint

- Upon receiving a verbal or written complaint from a customer, the sales department forwards the complaint in writing to the quality department
- A Customer Complaint Registration Form is created and submitted via the OA (Office Automation) system to the quality department and relevant departments for action.

Generating Improvement Recommendations

- The quality department, based on the customer's preferences, proposes handling suggestions for the complained-about products.
- Relevant departments conduct root cause analysis of the quality issues and implement corrective actions.
- The effectiveness of the corrective measures taken is verified.

Feedback

- The company's initial response is communicated to the customer within two days.
- Within two weeks or the timeframe specified by the customer, the 8D Report or the report requested by the customer is submitted. If necessary, after-sales service personnel are dispatched to the customer's site for on-site handling.
- Generate an After-Sales Service Report.

Closure and Summary

- The effectiveness of the corrective and preventive measures implemented is tracked and verified, with effective complaint analysis assigned to specific departments.
- Recorded customer complaints are regularly summarized and analyzed to identify trends and areas for further improvement.

09

Giving Back to Society

-
- Community Relations
 - Social Welfare

09 Giving Back to Society

9.1 Community Relations

The company consistently invests in poverty alleviation, disaster relief, and educational sponsorships, thereby driving local economic development. Beyond this, the company actively assists the children of migrant workers in enrolling in public schools, addressing the concerns of employees regarding their families' well-being, which enables employees to settle down locally with peace of mind.



劳模之家公益协会

The company actively donates to the labor Model Home Public Welfare Association in Xiangshan District, HuaiBei, Anhui Province, to help local disadvantaged groups such as poor students and elderly.



Rural Revitalization

The company donates funds to the Student Assistance Service Center in Zhangjiagang City to support local poverty alleviation efforts and promote rural revitalization initiatives such as the Literature Illuminates New Countryside volunteer service program.



Educational Assistance

On behalf of the group, the company has established 10 Junma Hope Primary Schools in remote districts such as Dangshan, Anhui Province and Guiyang, Guizhou Province, solving the problem of education access for many rural children. Currently, more than 1,500 students are enrolled in these schools.

9.2 Social Welfare

The company integrates every small act of kindness into a formidable force for good, striving to achieve mutual progress between the enterprise and society.



In 2023, the company was honored on the list of the 8th Charity Award of Zhangjiagang recognized by the Charity Federation as one of the 20 most compassionate and charitable donation enterprises.

Charity Award



Appendix

10.1 Key Performance Indicators

Environmental Performance

| Environmental Management | | | | |
|---|------|---------|---------|---------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Proportion of employees who have received training (internal or external) on environmental issues | % | 100.00% | 100.00% | 100.00% |
| Percentage of workplaces that have conducted environmental risk assessments out of the total number of workplaces | % | 100.00% | 100.00% | 100.00% |
| Percentage of operating sites that have achieved ISO 14001 certification out of the total number of workplaces | % | 100.00% | 100.00% | 100.00% |

| Exhaust Emissions | | | | |
|----------------------------------|------|------|------|------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Total Exhaust Emissions | ton | 5.44 | 5.97 | 5.72 |
| Volatile Organic Compounds | ton | 4.24 | 4.35 | 4.05 |
| Particulate Matter | ton | 1.09 | 1.07 | 1.15 |
| Ammonia | ton | 0.05 | 0.48 | 0.43 |
| Formaldehyde | ton | 0.05 | 0.07 | 0.07 |
| Waste Gas per unit of Production | kg/t | 0.08 | 0.09 | 0.08 |

| Wastewater | | | | |
|-------------------------------------|----------------------|------------|------------|------------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Total Amount of Wastewater Emission | cubic meter | 191,452.00 | 188,904.00 | 208,941.00 |
| Domestic Sewage | cubic meter | 191,452.00 | 188,904.00 | 208,941.00 |
| Industrial Wastewater | cubic meter | 0.00 | 0.00 | 0.00 |
| Wastewater Emission Intensity | cubic meters/tons of | 2.80 | 2.82 | 2.93 |

| Solid Waste | | | | |
|------------------------------------|-----------------------|----------|----------|----------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Hazard Waste GenerationEmission | ton | 95.00 | 88.00 | 99.00 |
| Hazard Waste Generation Intensity | kg/tons of production | 1.39 | 1.32 | 2.42 |
| General Waste Generation | ton | 3,674.00 | 2,964.00 | 2,753.26 |
| General Waste Generation Intensity | kg/tons of production | 53.71 | 44.32 | 67.26 |

| Raw Material and Package Consumption | | | | |
|--------------------------------------|------|------------|------------|--------------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Paper Tubes | kg | 886,399.00 | 949,813.00 | 1,064,701.86 |
| Recycle Rate of Paper Tubes | % | 39.92 | 30.38 | 41.54 |

| Energy Consumption ¹ | | | | |
|--|---------------------------|------------|------------|------------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Total Electricity Consumption | MWh | 196,343.00 | 198,524.00 | 210,467.03 |
| Purchased Electricity | MWh | 193,482.00 | 195,537.00 | 208,875.51 |
| Photovoltaic Power Generation Capacity | MWh | 2,861.00 | 2,987.00 | 1,591.52 |
| Electricity Intensity | MWh/tons of production | 2.87 | 2.97 | 3.40 |
| Purchased steam | ton | 80,232.00 | 82,513.00 | 91,701.81 |
| Purchased liquid | liter | 29,760.00 | 30,080.00 | 7,595.00 |
| Natural Gas Consumption | ten thousand cubic meters | 447.95 | 383.40 | 395.32 |
| Diesel Consumption | kilogram | 60,340.00 | 46,780.00 | 18,564.00 |

| Water Consumption ² | | | | |
|--|------------------------------------|----------------|----------------|----------------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Water Intake | cubic meter | 392,415.00 | 365,955.00 | 399,752.49 |
| Municipal Water Supply | cubic meter | 62,414.00 | 62,332.00 | 91,186.59 |
| Wastewater (Reclaimed Water) From Other Enterprises or Organizations | cubic meter | 330,001.00 | 303,623.00 | 308,565.90 |
| Circulating Water Usage | cubic meter | 497,408,032.00 | 495,792,848.00 | 552,427,272.00 |
| Water Intake Intensity | cubic meter per tons of production | 5.74 | 5.47 | 6.77 |

1. The scope of energy usage statistics for 2021 and 2022 includes both Junma Polyester Products Co., Ltd. and Junma Tyre Cord Co., Ltd. However, in 2023, the data only includes Junma Tyre Cord Co., Ltd. Therefore, there is a noticeable decrease in solar photovoltaic power generation, liquefied natural gas, and diesel data in 2023. In 2023, the company expanded its production capacity by constructing a 20,000-ton project for nylon 66 cord fabric, leading to an increase in electricity and steam consumption due to the increased production capacity.

2. In 2023, a different statistical scope from 2021 and 2022 because of a new nylon 66 project leads to a rise in water consumption.

| Greenhouse Gas Emissions | | | |
|-------------------------------|--------------------|--------------|--------------|
| Indicators | Unit | 2022 | 2023 |
| Total amount of GHG emissions | tCO ₂ e | 1,394,954.99 | 1,003,738.72 |
| Scope 1 | tCO ₂ e | 23,005.22 | 9,343.60 |
| Scope 2 | tCO ₂ e | 276,225.96 | 162,666.96 |
| Scope 3 | tCO ₂ e | 1,095,720.81 | 831,728.15 |

Social Performance

Employment

| Employees | | | | | | |
|--|---------|------------|---------|------------|---------|------------|
| Indicators | 2021 | | 2022 | | 2023 | |
| Total number of employees | 929 | | 945 | | 987 | |
| Labor Contract Signing Rate | 100.00% | | 100.00% | | 100.00% | |
| Ratio of Standard Starting Salary to Local Minimum Wage Satisfaction | 100.00% | | 100.00% | | 100.00% | |
| By Gender | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Male | 509 | 54.79% | 539 | 57.04% | 578 | 58.56% |
| Female | 420 | 45.21% | 406 | 42.96% | 409 | 41.44% |
| By Position | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Senior Management | 5 | 0.54% | 5 | 0.53% | 5 | 0.51% |
| Middle Management | 32 | 3.44% | 32 | 3.39% | 30 | 3.04% |
| General Employees | 892 | 96.02% | 908 | 96.08% | 952 | 96.45% |
| By Age Group | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Below 30 years old | 87 | 9.36% | 90 | 9.52% | 120 | 12.16% |
| 30-50 years old | 676 | 72.77% | 688 | 72.80% | 688 | 69.70% |
| Above 50 years old | 166 | 17.87% | 167 | 17.67% | 179 | 18.14% |
| By Region | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Mainland China | 929 | 100.00% | 945 | 100.00% | 987 | 100.00% |
| Overseas Countries or Regions (Including Hong Kong, Macau, and Taiwan) | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

| By Ethnicity | 2021 | | 2022 | | 2023 | |
|--|--------|------------|--------|------------|--------|------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Han Ethnicity | 926 | 99.68% | 937 | 99.15% | 987 | 100.00% |
| Ethnic Minorities | 3 | 0.32% | 8 | 0.85% | 0 | 0.00% |
| By Education Level | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Bachelor's Degree and above | 59 | 6.35% | 59 | 6.24% | 79 | 8.00% |
| Associate Degree and Below | 870 | 93.65% | 886 | 93.76% | 908 | 92.00% |
| By Profession | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Production Personnel | 778 | 83.75% | 764 | 80.85% | 774 | 78.42% |
| Sales Personnel | 29 | 3.12% | 37 | 3.92% | 42 | 4.26% |
| R&D Personnel | 106 | 11.41% | 104 | 11.01% | 103 | 10.44% |
| Finance Personnel | 13 | 1.40% | 17 | 1.80% | 19 | 1.93% |
| Administrative Personnel | 2 | 0.21% | 1 | 0.10% | 1 | 0.10% |
| Others | 1 | 0.11% | 2 | 0.21% | 8 | 0.81% |
| Number and Percentage of New Employees | | | | | | |
| Indicators | 2021 | | 2022 | | 2023 | |
| Total Number | 116 | | 82 | | 130 | |
| By Gender | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Male | 64 | 55.17% | 43 | 52.44% | 79 | 60.77% |
| Female | 52 | 44.83% | 39 | 47.56% | 51 | 39.23% |
| By Age Group | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Below 30 years old | 25 | 21.55% | 16 | 19.51% | 52 | 40.00% |
| 30-50 years old | 63 | 54.31% | 55 | 67.07% | 70 | 53.85% |
| Above 50 years old | 28 | 24.14% | 11 | 13.41% | 8 | 6.15% |
| By Region | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Mainland China | 116 | 100.00% | 82 | 100.00% | 130 | 100.00% |
| Overseas Countries or Regions (Including Hong Kong, Macau, and Taiwan) | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

| Number and Percentage of Management Employees | | | | | | |
|---|--------|------------|--------|------------|--------|------------|
| Indicators | 2021 | | 2022 | | 2023 | |
| Management Employees | 37 | | 37 | | 35 | |
| By Gender | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Male | 25 | 67.57% | 25 | 67.57% | 22 | 62.86% |
| Female | 12 | 32.43% | 12 | 32.43% | 13 | 37.14% |
| By Age Group | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Below 30 years old | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| 30-50 years old | 27 | 72.97% | 27 | 72.97% | 30 | 85.71% |
| Above 50 years old | 10 | 27.03% | 10 | 27.03% | 5 | 14.29% |
| By Ethnicity | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Han Ethnicity | 37 | 100.00% | 37 | 100.00% | 35 | 100.00% |
| Ethnic Minorities | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| By health condition | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Disabled | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

Trainings and Employee Development

| Employees Undergo Performance and Career Development Evaluations | | | | | | |
|---|--------|------------|--------|------------|--------|------------|
| Indicators | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Total Number and Percentage of Employees Undergo Performance and Career Development Evaluations | 929 | 100.00% | 945 | 100.00% | 987 | 100.00% |
| By Gender | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Male | 509 | 100.00% | 539 | 100.00% | 578 | 100.00% |
| Female | 420 | 100.00% | 406 | 100.00% | 409 | 100.00% |

| By Position | 2021 | | 2022 | | 2023 | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Senior Management | 5 | 100.00% | 5 | 100.00% | 5 | 100.00% |
| Middle Management | 32 | 100.00% | 32 | 100.00% | 30 | 100.00% |
| General Employees | 892 | 100.00% | 908 | 100.00% | 952 | 100.00% |
| Training Hours and Coverage ¹ | | | | | | |
| Employees Received Trainings | 929 | | 945 | | 987 | |
| Indicators | 2021 | | 2022 | | 2023 | |
| | total hours | Average Training Hours | total hours | Average Training Hours | total hours | Average Training Hours |
| Training Hours | 7,500 | 8.07 | 7,600 | 8.04 | 23,625 | 23.94 |
| By Gender | 2021 | | 2022 | | 2023 | |
| | Average Training Hours | Coverage | Average Training Hours | Coverage | Average Training Hours | Coverage |
| Male | 9.67 | 100.00% | 9.23 | 100.00% | 21.77 | 100.00% |
| Female | 6.14 | 100.00% | 6.46 | 100.00% | 27.00 | 100.00% |
| By Position | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Senior Management | 6.40 | 100.00% | 4.80 | 100.00% | 16.20 | 100.00% |
| Middle Management | 7.44 | 100.00% | 6.81 | 100.00% | 22.93 | 100.00% |
| General Employees | 8.11 | 100.00% | 8.10 | 100.00% | 24.01 | 100.00% |

Right and Welfare

| Employment Compliance | | | | |
|--|------|---------|---------|---------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Proportion of Workplaces that Have Undergone Human Rights Reviews or Human Rights Impact Assessments (HRIAs) to Total Workplaces ² | NA | 100.00% | 100.00% | 100.00% |
| Number of Penalties Received for Violating Labor Laws and Regulations Related to Employee Hiring and Termination, Compensation and Benefits, Working Hours and Leave, Equal Opportunity, and Anti-Discrimination | 0 | 0 | 0 | 0 |
| Number of Violations and Irregularities Occurring in Employee Hiring and Termination, Compensation and Benefits, Working Hours and Leave, Equal Opportunity, and Anti-Discrimination Practices | 0 | 0 | 0 | 0 |

1. Training coverage rate for each category of employees = number of participants in training for a category during the reporting period/number of employees in that category at the end of the reporting period x 100 percent
Average number of hours of training = total number of hours of training provided to employees / total number of employees
Average number of hours of training for each category of employees = total number of hours of training provided to employees in that category / total number of employees in that category
2. The company is systematically conducting a human rights review in 2022, and no relevant data will be covered in 2021

| Two-way Communication | | | |
|--|---------|---------|---------|
| Indicators | 2021 | 2022 | 2023 |
| Number of Employees Covered by Collective Bargaining Agreements | 929 | 945 | 987 |
| Percentage of Employees Covered by Collective Bargaining Agreements | 100.00% | 100.00% | 100.00% |
| Percentage of Employees Represented by Duly Elected Staff Representatives Across All Regions | 1.80% | 1.90% | 4.10% |
| Number of Union Members | 929 | 945 | 987 |
| Discrimination | | | |
| Indicators | 2021 | 2022 | 2023 |
| Total Number of Discrimination Incidents | 0 | 0 | 0 |
| Number of Violations and Regulatory Breaches Occurring in Areas of Employee Hiring and Termination, Compensation and Benefits, Working Hours and Leave, Equal Opportunity, and Anti-Discrimination | 0 | 0 | 0 |
| Number of Employees Received Training on Preventing Discrimination and Human Rights Violations | NA | 945 | 987 |
| Percentage of Employees Received Training on Preventing Discrimination and Human Rights Violations | NA | 100.00% | 100.00% |
| Social Insurance Coverage | | | |
| By Gender | 2021 | 2022 | 2023 |
| Male | 100.00% | 100.00% | 100.00% |
| Female | 100.00% | 100.00% | 100.00% |

Health and Safety

| Occupational and Health Management | | | |
|---|------|------|------|
| Indicators | 2021 | 2022 | 2023 |
| Number of Workers Covered by the Occupational Health Management System (OHMS) | 929 | 945 | 987 |
| Number of Workers in Jobs with Occupational Disease Risks | 420 | 413 | 453 |
| Number of Workers Participating in Occupational Health Examinations for Disease Prevention ¹ | 4 | 413 | 453 |
| Number of Workers with Occupational Diseases | 0 | 0 | 0 |

1. In 2021, the company conducted occupational health check-ups for employees in toxic and hazardous positions (such as those involved in dipping and mixing glue). In 2022, responding to the requirements of the Zhangjiagang City Health Commission, the company expanded the scope of the occupational health check-ups to include employees in all noise-exposed positions, resulting in an increase in the number of participants for the occupational health check-ups in 2022.

| Work-related Injuries | | | |
|--|---------|---------|---------|
| Indicators | 2021 | 2022 | 2023 |
| Number of deaths due to work-related injuries | 0 | 0 | 0 |
| Percentage of deaths due to work-related injuries | 0.00% | 0.00% | 0.00% |
| Number of Recordable Work-Related Injuries | 2 | 2 | 2 |
| Recordable Injury Rate (per 200,000 Working Hours) | 0.22 | 0.21 | 0.20 |
| Recordable Injury Rate (per 1,000,000 Working Hours) | 1.07 | 1.06 | 1.01 |
| Total Lost Work Hours Due to Work-Related Injuries | 1,160 | 1,024 | 488 |
| Lost Time Injury Frequency Rate for Direct Labor | 0.00% | 0.00% | 0.00% |
| Percentage of Workplaces Conducted Employee Health and Safety Risk Assessments | 100.00% | 100.00% | 100.00% |
| Number of Incidents Resulting in Penalties for Violating Occupational Health and Safety Laws and Regulations | 0 | 0 | 0 |

Supply Chain Management²

| Total Number and Percentage of Suppliers | | | | | | |
|--|--------|------------|--------|------------|--------|------------|
| Indicators | 2021 | | 2022 | | 2023 | |
| Total Number | 28 | | 28 | | 28 | |
| By location | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| China (including Mainland China, Hong Kong, Macau, and Taiwan) | 27 | 96.43% | 27 | 96.43% | 27 | 96.43% |
| Foreign Countries or Districts | 1 | 3.57% | 1 | 3.57% | 1 | 3.57% |
| By categories | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Producers | 22 | 78.57% | 22 | 78.57% | 22 | 78.57% |
| Traders | 6 | 21.43% | 6 | 21.43% | 6 | 21.43% |

2. The company began to systematically conduct supplier social responsibility audits in 2022, and did not collect relevant data in 2021.

| Supplier Assessment | | | |
|--|------|---------|---------|
| Indicators | 2021 | 2022 | 2023 |
| Total Number of Suppliers Reviewed | NA | 28 | 28 |
| Percentage of Suppliers Reviewed | NA | 100.00% | 100.00% |
| Proportion of Suppliers that Have Undergone Corporate Social Responsibility (CSR) On-Site Audits | NA | 100.00% | 100.00% |
| Percentage of Suppliers that Have Signed Supplier Code of Conduct | NA | 100.00% | 100.00% |
| Percentage of Suppliers with Contracts that Include Environmental, Labor, and Ethical Clauses | NA | 100.00% | 100.00% |
| Percentage of Suppliers that Have Received Business Ethics Trainings | NA | 100.00% | 100.00% |
| Percentage of Suppliers that Have Received Sustainable Procurement Trainings | NA | 100.00% | 100.00% |

| Supplier Environmental Assessment | | | | | | |
|---|--------|------------|--------|------------|--------|------------|
| Indicators | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| New Suppliers that Were Screened Using Environmental Criteria | NA | NA | 0 | 0.00% | 0 | 0.00% |
| Suppliers Assessed for Environmental Impacts | NA | NA | 28 | 100.00% | 28 | 100.00% |
| Suppliers Identified as Having Significant Actual and Potential Negative Environmental Impacts | NA | NA | 0 | 0.00% | 0 | 0.00% |
| Suppliers Identified as Having Significant Actual and Potential Negative Environmental Impacts With Which Improvements Were Agreed upon as a Result of Assessment | NA | NA | 0 | 0.00% | 0 | 0.00% |
| Suppliers Identified as Having Significant Actual and Potential Negative Environmental Impacts with Which Relationships Were Terminated as a Result of Assessment | NA | NA | 0 | 0.00% | 0 | 0.00% |

| Supplier Social Assessment | | | | | | |
|--|--------|------------|--------|------------|--------|------------|
| Indicators | 2021 | | 2022 | | 2023 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| New Suppliers that Were Screened Using Social Criteria | NA | NA | 0 | 0.00% | 0 | 100.00% |
| Suppliers Assessed for Social Impacts | NA | NA | 28 | 100.00% | 28 | 100.00% |
| Suppliers Identified as Having Significant Actual and Potential Negative Social Impacts | NA | NA | 0 | 0.00% | 0 | 0.00% |
| Suppliers Identified as Having Significant Actual and Potential Negative Social Impacts with Which Improvements Were Agreed Upon as A Result of Assessment | NA | NA | 0 | 0.00% | 0 | 0.00% |
| Suppliers Identified as Having Significant Actual and Potential Negative Social Impacts with Which Relationships Were Terminated as a Result of Assessment | NA | NA | 0 | 0.00% | 0 | 0.00% |

Customer Health and Safety

| Product Quality and Safety | | | |
|---|---------|---------|---------|
| Indicators | 2021 | 2022 | 2023 |
| Number of Complaints Received about Products and Services | 7 | 5 | 3 |
| Customer Complaint Resolution Rate | 100.00% | 100.00% | 100.00% |
| Incidents of Non-Compliance with Regulations Resulting in a Fine or Penalty | 0 | 0 | 0 |
| Incidents of Non-Compliance with Regulations Resulting in A Warning | 0 | 0 | 0 |
| Incidents of Non-Compliance with Voluntary Codes | 0 | 0 | 0 |
| Customer Satisfaction | 99.47% | 99.48% | 99.97% |

| Research and Innovation | | | | |
|-------------------------|--------------|------|------|------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Investment in R&D | Billion yuan | 1.36 | 1.33 | 1.01 |

Community Communication and Development

| Community Communication and Charity | | | | |
|-------------------------------------|------|---------|---------|---------|
| Indicators | Unit | 2021 | 2022 | 2023 |
| Amount of Public Welfare Donations | yuan | 400,000 | 250,000 | 502,000 |

Governance
Anti Corruption

| Communication and Training about Anti-Corruption Policies and Procedures | | | |
|--|------|------|------|
| Indicators | 2021 | 2022 | 2023 |
| Number of Training on Anti-corruption | 3 | 3 | 2 |
| Total Number of Employees that Have Received Training on Anti-corruption | 929 | 945 | 987 |
| Average Training Hours | 1.1 | 1.1 | 1.2 |

| Corruption Risk Assessment | | | |
|--|------|---------|---------|
| Indicators | 2021 | 2022 | 2023 |
| Total Number and Percentage of Operational Sites Undergone Corruption Risk Assessmen | N/A | 100.00% | 100.00% |

| Confirmed Incidents of Corruption and Actions Taken | | | |
|---|------|------|------|
| Indicators | 2021 | 2022 | 2023 |
| Total Number of Confirmed Incidents | 0 | 0 | 0 |

Marketing

| Incidents of Non-compliance Concerning Product and Service Information and Labeling | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| Indicators | 2021 | | 2022 | | 2023 | |
| | Product | Service | Product | Service | Product | Service |
| Incidents of Non-Compliance with Regulations Resulting in A Fine or Penalty | 0 | 0 | 0 | 0 | 0 | 0 |
| Incidents Of Non-Compliance with Regulations Resulting in a Warning | 0 | 0 | 0 | 0 | 0 | 0 |
| Incidents of Non-Compliance with Voluntary Codes | 0 | 0 | 0 | 0 | 0 | 0 |

| Incidents of Non-compliance Concerning Marketing Communications | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| | Product | Service | Product | Service | Product | Service |
| Incidents of Non-Compliance with Regulations Resulting in a Fine or Penalty | 0 | 0 | 0 | 0 | 0 | 0 |
| Incidents of Non-Compliance with Regulations Resulting in a Warning | 0 | 0 | 0 | 0 | 0 | 0 |
| Incidents of Non-Compliance with Voluntary Codes | 0 | 0 | 0 | 0 | 0 | 0 |

Information Security

| Information Security Incidents and Corrective Actions Taken | | | | | | |
|---|------|---|------|---|------|---|
| Indicators | 2021 | | 2022 | | 2023 | |
| Total Number of Identified Leaks, Thefts, or Losses of Customer Data | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Number of Substantiated Complaints Received Concerning Breaches of Customer Privacy | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Number of Breaches of The Law with Respect to Client Privacy | 0 | 0 | 0 | 0 | 0 | 0 |

10.2 GRI content index

Statement of use: Junma Tyre Cord Company Limited has reported in accordance with the GRI Standards for the period from Jan 1st, 2023 to Dec 31st, 2023.

GRI 1 used: GRI 1: Foundation 2021

| GRI STANDARD | DISCLOSUR | LOCATION |
|---------------------------------|--|----------|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | P7 |
| | 2-2 Entities included in the organization' s sustainability reporting | P1 |
| | 2-3 Reporting period, frequency and contact point | P1 |
| | 2-4 Restatements of information | P74 |
| | 2-5 External assurance | P90 |
| | 2-6 Activities, value chain and other business relationships | P7 |
| | 2-7 Employees | P43-54 |
| | 2-9 Governance structure and composition | P13 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | P13 |
| | 2-13 Delegation of responsibility for managing impacts | P13 |
| | 2-14 Role of the highest governance body in sustainability reporting | P2 |
| | 2-15 Conflicts of interest | P15 |
| | 2-16 Communication of critical concerns | P20-21 |
| | 2-19 Remuneration policies | P51 |
| | 2-20 Process to determine remuneration | P51 |
| | 2-22 Statement on sustainable development strategy | P2 |
| | 2-25 Processes to remediate negative impacts | P19 |
| | 2-26 Mechanisms for seeking advice and raising concerns | P17 |
| | 2-27 Compliance with laws and regulations | P17 |
| | 2-28 Membership associations | P8 |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | P22 |
| | 3-2 List of material topics | P22 |
| | 3-3 Management of material topics | P22 |

| GRI STANDARD | DISCLOSUR | LOCATION |
|---|---|----------|
| GRI 201: Economic Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | P39 |
| | 201-3 Defined benefit plan obligations and other retirement plans | P49 |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | P83 |
| | 205-2 Communication and training about anti-corruption policies and procedures | P15 |
| | 205-3 Confirmed incidents of corruption and actions taken | P15 |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | P17 |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | P31 |
| | 301-2 Recycled input materials used | P31 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | P32 |
| | 302-3 Energy intensity | P32 |
| | 302-4 Reduction of energy consumption | P34、 P74 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | P34、 P74 |
| | 303-2 Management of water discharge-related impacts | P34、 P74 |
| | 303-3 Water withdrawal | P34、 P74 |
| | 303-4 Water discharge | P35 |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | P35 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | P34 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | P34 |
| | 305-3 Other indirect (Scope 3) GHG emissions | P34 |
| | 305-4 GHG emissions intensity | P40 |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | P40 |

| GRI STANDARD | DISCLOSUR | LOCATION |
|--|--|----------|
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | P29 |
| | 306-2 Management of significant waste-related impacts | P29 |
| | 306-3 Waste generated | P30 |
| | 306-5 Waste directed to disposal | P30 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | P29 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | P29 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | P30 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | P30 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | P44 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | P44-45 |
| | 403-3 Occupational health services | P46 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | P47 |
| | 403-5 Worker training on occupational health and safety | P47-48 |
| | 403-6 Promotion of worker health | P46 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | P65 |
| | 403-8 Workers covered by an occupational health and safety management system | P44 |
| | 403-9 Work-related injuries | P80 |
| | 403-10 Work-related ill health | P44 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | P77-78 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | P49 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | P48 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | P76-P78 |
| | 405-2 Ratio of basic salary and remuneration of women to men | P53 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | P52 |
| 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 | P59 |

| GRI STANDARD | DISCLOSUR | LOCATION |
|--|---|----------|
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | P59 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | P59 |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | P59 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | P44 |
| | 414-2 Negative social impacts in the supply chain and actions taken | P59、 P82 |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | P59 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | P67 |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | P16 |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | P16 |
| | 417-3 Incidents of non-compliance concerning marketing communications | P16 |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | P17 |

10.3 United Nations Sustainable Development Goals (SDGs) Benchmarking Index

| SDGs | Content | Location |
|------|--|---|
| | Goal 1 No Poverty | Diversity and Inclusivity |
| | Goal 2 No Hunger | Giving Back to Society |
| | Goal 3 Good Health and Well-being | Guarding the Earth and Low Carbon Development Diversity and Inclusivity |
| | Goal 4 Quality Education | Diversity and Inclusivity |
| | Goal 5 Gender Equality | Diversity and Inclusivity |
| | Goal 6 Clean Water and Sanitation | Guarding the Earth and Low Carbon Development |
| | Goal 7 Affordable and Clean Energy | Guarding the Earth and Low Carbon Development |
| | Goal 8 Decent Work and Economic Growth | Diversity and Inclusivity |
| | Goal 9 Industry, Innovation and Infrastructure | Establish Responsible Supply Chain |
| | Goal 10 Reduced Inequalities | Diversity and Inclusivity |
| | Goal 12 Responsible Consumption and Production | Innovation-driven for Quality Enhancement |
| | Goal 13 Climate Action | Guarding the Earth and Low Carbon Development |
| | Goal 15 Life on Land | Guarding the Earth and Low Carbon Development |
| | Goal 16 Peace, Justice and Strong Institutions | About Us Achieve Steady Corporate Development and Standardize Corporate Governance |

11 Independent Assurance Statement



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., member of TÜV Rheinland Group, Germany (hereinafter “TÜV Rheinland”, “We”) has been entrusted by the management of Junma Tyre Cord Company Limited (hereinafter “Junma Tyre Cord”, “the Company”) to conduct independent assurance of the Junma Tyre Cord 2023 Environmental, Social and Corporate Governance (ESG) Report (hereinafter “the Report”). All contractual contents for this assurance engagement rest entirely within the responsibility of the Junma Tyre Cord. Our task was to give a fair and adequate judgment on the Report.

The intended users of this assurance statement are stakeholders who have relevance to the Junma Tyre Cord overall ESG performance and impacts of its business activities during year 2023 (1 January 2023 ~ 31 December 2023).

TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and we were not involved in the preparation of the Report contents.

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3), Moderate level of assurance.

Scope & Type of Assurance

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 1 Moderate level on Junma Tyre Cord's ESG performance in the Report. The following assurance criteria were used in performing the assurance work:

- With reference to the GRI Sustainability Reporting Standards (GRI Standards)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AccountAbility Principles of *Inclusivity, Materiality, Responsiveness and Impact*.

Assurance Methodology

Our assurance activities included:

- Reviewing management practices and processes to assess Junma Tyre Cord ESG management system, which included ESG governance, risk assessment, compliance management, stakeholder communication, analysis of material topics, goals and objectives, and key performance disclosures.
- Interviews with management personnel at functional levels, who are responsible for management of ESG-related performance, information collection and reporting.
- Reviewing and inspecting ESG-related performance information and data, to test accuracy of information and data on a sample basis, by using analytical procedures.
- Reporting the assurance observations to management to provide an opportunity for corrective action prior to completion of the assurance process.
- Collecting and assessing documentary evidence and management representations that support adherence to the AccountAbility Principles.

Limitations

TÜV Rheinland performed the assurance based on the scope of defined engagement agreement, and on a moderate level assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the contents of the Report.

Procedures performed in a moderate assurance vary in nature from, and are less in extent, than high level assurance.

Our assurance work did not cover financial report and other information not related to sustainability.

Conclusions



Based on our methodology and activities performed within the scope of this assurance, we can reach a conclusion that no instances or information came to our attention that would be to the contrary of the statement made as below:

- Junma Tyre Cord 2023 ESG Report and its contents adhere to the AccountAbility Principles.
- Junma Tyre Cord has implemented management processes to collect and aggregate key performance data related to material issues within the reporting boundary, while the company identifies, evaluates, defines and manages material issues.
- ESG-related performance information disclosed in the Report are assessed and supported by documentary evidence.

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

Adherence to the AA1000 AccountAbility Principles

Inclusivity

The key stakeholders identified by Junma Tyre Cord include government and regulatory authorities, shareholders and investors, consumers and customers, employees, suppliers, communities and the public, industry associations, non-governmental organizations (NGOs) and non-profit organizations, and the environment. We recommend that Junma Tyre Cord build a strategy and plan for stakeholder engagement and communication, and measure the results of stakeholder engagement, so as to provide a basis for ESG strategic decision-making.

Materiality

In 2023, Junma Tyre Cord carried out a materiality issue assessment process. According to the characteristics of business development, industry benchmarking, and the analysis results of internal and external stakeholder surveys, the company evaluates and prioritizes ESG issues from the two dimensions of “importance to stakeholders” and “importance to the company”, and finally confirms and forms a topic matrix. The matrix diagram shows that topics of high importance include, but are not limited to, environmental management, energy management, intellectual property protection, innovation and R&D, product and service quality management, etc.

Responsiveness

Junma Tyre Cord communicates with its key stakeholders on ESG issues through multiple communication channels and responds to stakeholders’ concerns in a timely manner. These communication channels mainly include public information disclosure, customer service and complaint mechanisms, employee training, supplier training and audits, industry cooperation and participation in the development of industry standards, and public welfare projects. The company’s group website also regularly publishes environmental compliance information, including environmental impact assessments for new projects.

This report discloses data on key performance indicators, including greenhouse gas (GHG) emissions, energy and water resources, other pollution emissions, wastes, employee employment, employee rights and benefits, occupational health and safety, and supply chain management, etc., and these performance figures are comparable. Within the reporting period, Junma Tyre Cord joined the United Nations Global Compact (UNGC) and the Responsible Supply Chain Initiative (RSCI).

Impact

Junma Tyre Cord attaches great importance to its own business operation risks, and has implemented ESG risk management processes, covering business compliance, water risk analysis, climate change risk and opportunity identification, and supply chain environmental and human rights due diligence. This report not only discloses the company’s commitments and actions to benchmark and respond to the United Nations Sustainable Development Goals, but also discloses the performance progress based on goal-based management. We recommend that Junma Tyre Cord assess the environmental and social impacts of the company’s operations, and measure and manage these impacts.



Daniel Pan

Corporate Sustainability Service Technical Manager
TÜV Rheinland (Shanghai) Co., Ltd.
Shanghai, China, 19 July 2024

