Tel: 0512-58140915

Headquarters Address: Chenghang East Road, Yangshe Town, Zhangjiagang City, Suzhou, Jiangsu Province, China.

骏马钢帘线有限公司

Zhangjiagang Junma Steel Cord Co., Ltd

2023

Environment, Social and Governance Report

Environmental
Social and Governance Report

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01 | About this Report

Zhangjiagang Junma Steel Cord Co., Ltd 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.

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).

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 Zhangjiagang Junma Steel Cord Co., Ltd.

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.

Explanation of References

For ease of expression, in this report, 'Junma Steel Cord' , 'the company' , or 'we' refer to Zhangjiagang Junma Steel Cord Co., Ltd.

Contact Information

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

Headquarters Address: Chenghang East Road, Yangshe Town, Zhangjiagang City, Suzhou, Jiangsu Province, China.
Tel: 0512-58140915
Email: office@junmachina.com

Other Statements

Zhangjiagang Junma Steel Cord Co., Ltd. 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 Our CEO

Since regarding the trend of ever-changing global economic landscape, increasingly scarce resources, and heightened awareness of environment protection, corporate development can no longer solely focus on profitability. Rather, it must play an active role in promoting social progress and environmental conservation, striving to create a better future for generations to come. Therefore, we adhere to the development philosophy of "sustainable development and harmonious win-win cooperation," fully integrating environmental, social, and governance (ESG) practices into our corporate culture and operations, continuously deepening and refining our ESG initiatives.

In the past year, we have made a series of encouraging achievements. In the aspect of environmental protection, adhering to the policy of “implementing comprehensive pollution control, promoting clean production, creating green Junma, and building a harmonious enterprise” , we have gradually formed our environmental management system and invested in the introduction of advanced pollution treatment technology, which greatly reduces the emissions of waste gas and wastewater in the production process, which not only meets the national environmental protection standards, but also exceeds the industry average in some indicators. In 2023, we were proudly awarded as a “Water-saving Enterprise in Jiangsu Province.” In addition, by optimizing the structure of energy use, we have successfully improved energy efficiency and reduced production costs, while also contributing to the reduction of carbon footprint. We have obtained several certifications. Our company was ISO 14001:2015 environmental management system certificated as early as 2014. In 2023, we joined the United Nations Global Compact (UNGC), and has obtained ISO 50001 energy management system certification, together with ISO14040, ISO 14044 and ISO 14064 certifications, and have been awarded as “Jiangsu Province Water-saving Enterprise” by the Jiangsu Province Department of Industry and Information Technology, “Intelligent Factory of Jiangsu Province” by the Jiangsu Provincial Department of Industry and Information Technology, and ” Green Factory of Suzhou” by the Suzhou Bureau of Industry and Information Technology.

In the realm of social responsibility, we are deeply aware that corporate growth is inseparable from societal prosperity and stability. Hence, we actively participate in community development and give back to society through activities such as charitable donations and the construction of primary schools. We also organize various volunteer activities, including blood donations and library volunteering. Employee development is of paramount importance to us, and we offer diverse training and career advancement opportunities to ensure that every employee realizes their potential in their work.

Regarding corporate governance, we uphold principles of transparency and compliance, establishing a comprehensive internal control mechanism to ensure the legality and efficiency of our operations. We firmly believe that only by building a solid governance foundation can we win the trust of the market and lay a cornerstone for our long-term development. To this end, we have integrated sustainable development into our corporate management, established a sustainable development management framework, continuously strengthened internal management and risk control, protected shareholders' rights, and eradicated corruption.

Looking ahead, we will continue to forge ahead on the path of sustainable development. We will set even stricter environmental targets and introduce more green elements into our products and production processes. Simultaneously, we will strengthen cooperation with global partners to jointly drive industry progress and innovation. While the road ahead may be long, our company is determined to usher in an even more brilliant future.

CEO

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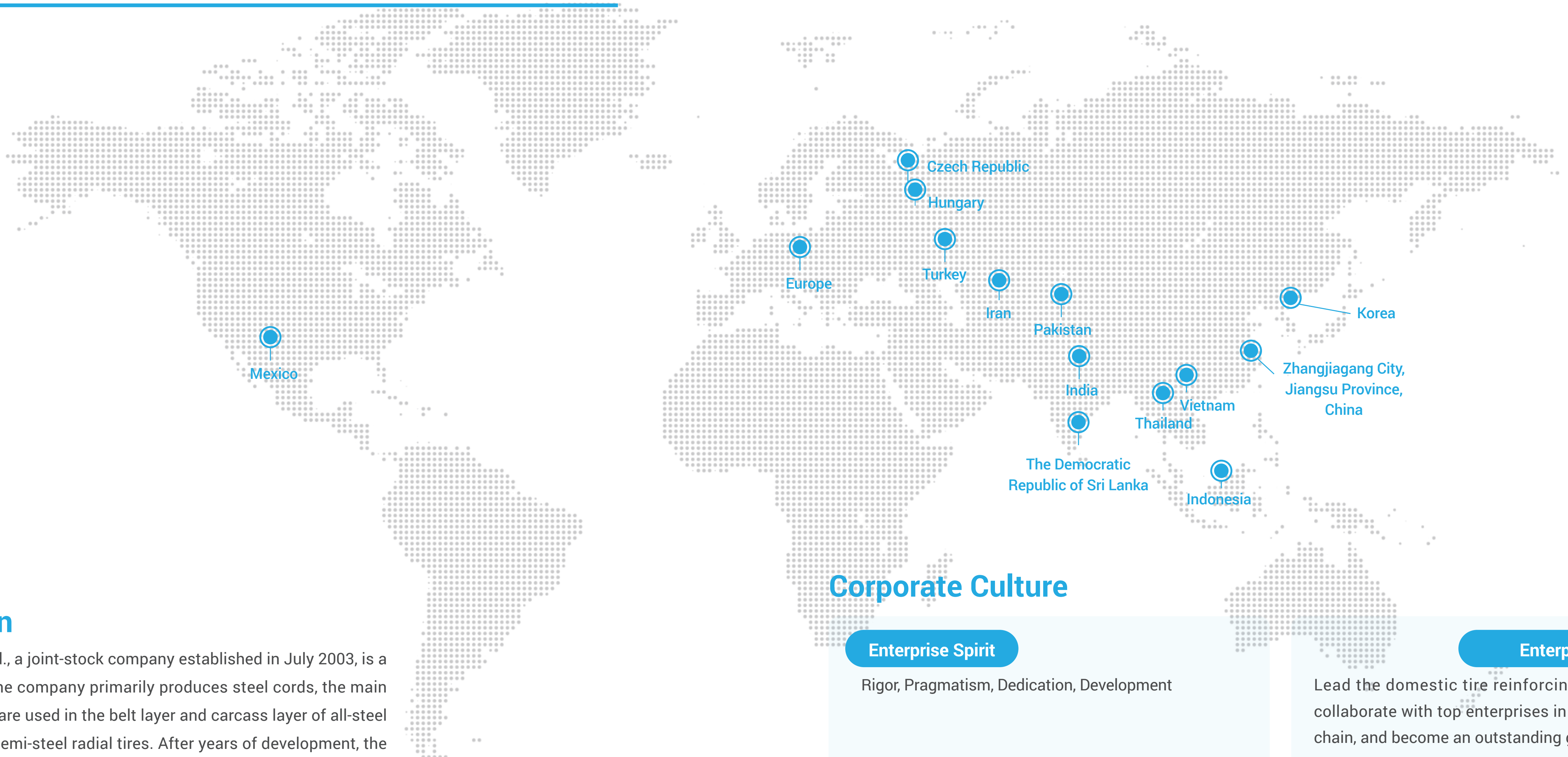
About Us

- Company Introduction
- Business Layout
- Corporate Culture

03 About Us



Company Introduction

Zhangjiagang Junma Steel Cord Co., Ltd., a joint-stock company established in July 2003, is a subsidiary of Jiangsu Junma Group. The company primarily produces steel cords, the main skeleton material for radial tires, which are used in the belt layer and carcass layer of all-steel radial tires, as well as the belt layer of semi-steel radial tires. After years of development, the company has become a national high-tech enterprise with production scale of over 300,000 per year.

Business Layout

Headquartered in Zhangjiagang City, Jiangsu Province, China, the company primarily engages in the production and sales of steel wire cords, the reinforcing material for radial tires. The existing product specifications virtually cover all structures required by various tire manufacturers, with a diverse product portfolio widely used in PCR, TBR, and OTR tires. The company boasts long-term strategic partnerships with renowned tire enterprises both domestically and internationally, serving customers nationwide, including Shanglun Group, Hangzhou Zhongce, Hankook Tire, Linglong Tire, Guizhou Tire, Chengshan Tire, among others. Additionally, the company exports to India, Southeast Asia, Korea, Iran, Europe, etc., serving as a long-term strategic partner for radial tire enterprises globally.

Corporate Culture

Enterprise Spirit

Rigor, Pragmatism, Dedication, Development

Core Values

"Quality First, Customer Satisfaction" is our mission.

"Leading Domestically, Catching Up with the World" is our goal.

"Never Being Content, Pursuing Excellence" is our style.

Enterprise Belief

Create beautiful environment, nurture outstanding talents, produce high-quality products, and provide excellent services.

Compromise Spirit

Enterprise Vision

Lead the domestic tire reinforcing material industry, collaborate with top enterprises in the global industrial chain, and become an outstanding global partner across the entire industry chain.

Social Responsibility Concept

Jointly creating economic wealth and sharing development achievements.

Jointly creating green products and enjoying blue skies and clear waters.

Jointly building a harmonious society and sharing a better life.

Social Responsibility Vision

Prioritizing ecology and pursuing green development. By applying advanced energy-saving and emission-reduction technologies, we aim to become the leader in "clean production and green development" within China's tire reinforcing material industry.

4

Our Governance and Compliance

Governance Structure

Risk Management and Internal Control

Information Security and Privacy Protection

Intellectual Property Management

ESG Governance

04 | Our Governance and Compliance

Our Goals

Qualitative Indicators

- We commit to resolutely oppose any form of bribery.
- We commit to prevent conflicts of interest among all employees and supply chain partners.
- We commit to eradicate money laundering in all business operations.
- We commit to comply with Law of the People's Republic of China Against Unfair Competition in all business operations.
- We commit to responsibly manage all confidential company information and customer privacy information.
- We conduct anti-fraud themed education regularly.

Quantitative Indicators	Targets	Performance in 2023
Number of Lawsuits Involving Corruption and Bribery	100%	100%
Coverage Rate of Business Ethics Training on Anti-Corruption, Anti-Bribery, Anti-Money Laundering, and Anti-Unfair Competition	100%	100%
Signing Rate of the *Joint Anti-Corruption Agreement* by Suppliers	100%	100%
Number of Reports Involving the Infringement of Employee or Customer Privacy	0	0

Key Performance Indicators

Compliance training conducted frequency and duration :
twice for a total of **8 hours**

Percentage of employees who have received training on business ethics :
100%

Percentage of procurement staff who have received training on business ethics :
100%

Reports received of corruption, bribery, unfair competition, money laundering, etc :
0

Corruption lawsuits filed against the company or employees that have been finalized :
0

Percentage of operation sites that have conducted internal audits and risk assessments on business ethics :
100%

Operating sites coverage by anti-corruption management systems and systems
100

confirmed information security incidents
0

Coverage of operating sites by ISO 27001 certifications :
100%

Governance Structure

We strictly adhere to laws and regulations such as the *Company Law of the People's Republic of China* to optimize our management structure. The Board of Directors serves as the company's highest decision-making body, overseeing the General Manager, Deputy General Managers, Chief Financial Officer, and others. Through a management model that adheres to the principle of "whoever initiates, is responsible; whoever benefits, bears the consequences," the company further clarifies roles and responsibilities, gradually standardizes related-party transactions in logistics, logistics services, and other areas, and transitions from highly centralized management to a more autonomous management approach.

We emphasize core functions such as strategic planning, investment decision-making, key personnel management, comprehensive budgeting, fund control, operational coordination, external cooperation, and risk management. We have established streamlined and efficient governance, striving to build an international enterprise and comprehensively enhance our operational efficiency and profitability.

Risk Management and Internal Control

To improve our ability to prevent and control legal risks, we have formulated a five-year plan for legal work implementation, which clarifies overall objectives and requirements, and defines tasks and requirements for advancing legal work. It strengthens the concept of compliance in development decision-making, operational management, and project execution, reinforces the primary responsibility, and communicates the policy of compliance to our partners.

We attach great importance to operating and managing legally, establishing a legal advisor system, and forming a trinity enterprise legal risk prevention system that encompasses "prevention before the event, control during the event, and remediation after the event," led by the company's decision-making layer, supported by corporate legal advisors, and participated in by all employees. Through comprehensive risk management and internal control evaluation, we continuously improve our risk prevention and control capabilities.

Sustainable Operation Risk Management

To ensure the company maintains continuous growth amidst the intense competition of the market, we have dedicated efforts to collecting and studying laws and regulations, promptly following up on updates, and conducting annual reviews and assessments to guarantee that our business operations are fully compliant. Furthermore, we regularly analyze domestic and international trends, employing SWOT analysis to identify our competitive strengths and weaknesses, guiding our mid- to long-term business strategies.

Human Rights and Labor Risk Management

We have implemented specialized risk management measures for employee rights and labor relations. Amidst the increasing complexity of the employment landscape, we have established dedicated departments to monitor employees' health status and relevant workplace regulations. This includes regular health check-ups, staff forums, and maintenance work, among others, aimed at enhancing and improving the resilience of our employment system.

Environmental and Safety Risk Management

In response to the escalating global demands for environmental protection policies, we have set up an EHS (Environment, Health, and Safety) Department with direct senior management oversight to manage and govern all matters related to the environment, occupation health, and safety. Additionally, we undergo periodic inspections by relevant government supervisory departments to ensure our compliance.

Information Security Risk Management

With the advent of the new economic era, we have continued to increase our focus on information assets. Recently, we have obtained ISO 27001 certification, signifying the effective and systematic implementation of information security management practices.

Anti-Corruption and Anti-Bribery

In accordance with relevant regulations such as the *Anti-Unfair Competition Law of the People's Republic of China and Provisional Regulations on the Prohibition of Commercial Bribery*, the company has formulated institutional documents such as the *Regulations of Zhangjiagang Junma Steel Cord Co., Ltd.* and the *Compliance Manual*, which outline the anti-bribery and anti-corruption code of conduct for employees. These policies provide detailed regulations on employee business referrals, private investments, improper profit-seeking, and acceptance of money or gifts from partners.

Risk Evaluation	• Company's operations, a comprehensive corruption risk evaluation is conducted focusing on the following areas:
	  • Employee receipt of kickbacks, gifts, etc.
	  • Evaluate the transparency and adherence to quality standards during the quality inspection and acceptance process. Identify risks of lowering standards or requirements for personal gain.

Internal Audit	• Conduct risk-based audits to identify potential corruption risks across various business scenarios. • Prohibit employees from soliciting or accepting personal favors, money, or other benefits from clients, suppliers, competitors, retailers, distributors, or any other business partners during their employment.
Sensitive Transaction Approval	• Implement a formal system requiring all gifts given on behalf of the company and entertainment expenses to be accompanied by detailed expense reports, including the date, recipient, and purpose of the expenditure. Submit these reports to the audit department for approval. • For expenses exceeding predetermined thresholds, require prior approval documentation (e.g., written applications, screenshots, or other archivable evidence) as a prerequisite for reimbursement. Reject reimbursement requests without such documentation.
Supplier Management	• Conduct anti-corruption and bribery due diligence on suppliers. • Establish and maintain agreements with suppliers, including *Supplier Code of Conduct and Integrity Commitment, Joint Anti-Corruption Agreement, and Confidentiality Agreement*,etc.
Risk Position Management	• For high-risk departments like Procurement, mandate employees to sign anti-corruption agreements.
Anti-Corruption and Bribery Training	• Led by the Legal Department, conduct regular training sessions for all employees on anti-corruption laws, company policies, etc.
Oversight System	• Implement a vertically managed audit department. • Combine organizational oversight with public scrutiny. • Integrate performance monitoring with audit supervision.

Anti-Unfair Competition

Risk Identification

We engage in risk identification and assessment concerning fair competition matters and have pinpointed the following risks:

- Trading of customer information
- Disclosure of competitive bidding information
- Bribery during transactions with suppliers
- Private and undisclosed transaction

Control Procedures

Based on the identified risks, we have established relevant procedures against unfair competition within *Rules and Regulations*.

- Dedicated personnel are responsible for handling, backing up, and securely storing documents, materials, and other items containing confidential company information.
- Employees are prohibited from discarding or disposing of any written or non-affiliated confidential information without the company's written permission.
- If employees need to disclose the company's confidential information to others, prior approval from the company is required.
- Employees must return all tangible confidential information and documents before leaving the company.

Internal Audit

We conduct regular internal audits and assessments on fair competition issues, establish monitoring mechanisms to promptly detect and correct violations, and ensure that all departments and employees comply with fair competition norms and standards. During the reporting period, we conducted internal audit once.

Voidance of Conflicts of Interest

We have established regulations in Rules and Regulations to avoid conflicts of interest.

- Employees are prohibited from engaging in, instructing others to engage in, or investing in economic activities that compete with or conflict with the company's business interests.
- Employees are prohibited from personal gains, including for themselves, family members, or others, in an illegal or improper manner.
- Employees are prohibited from engaging in economic activities that conflict with their job responsibilities.

Anti-Money Laundering

We strictly prohibit employees from legalizing money obtained through criminal activities such as drug trafficking and smuggling through our *Compliance Manual*.

Reporting and Appeals

We publicly provide transparent reporting and appeal channels to all stakeholders for managing issues related to corruption, bribery, unfair competition, money laundering, and other business ethics matters.

✉ Reporting Email: hankouzh@163.com

☎ Hotline: 0512-58140915

We have established a comprehensive whistleblower protection mechanism, strictly prohibiting retaliation against whistleblowers and disclosing their names, departments, company names, or other information. Original or copied reporting materials must not be presented during investigations. Employees who leak whistleblower information or retaliate against whistleblowers will have their employment contracts terminated. Those who violate the law will be referred to judicial authorities for handling.

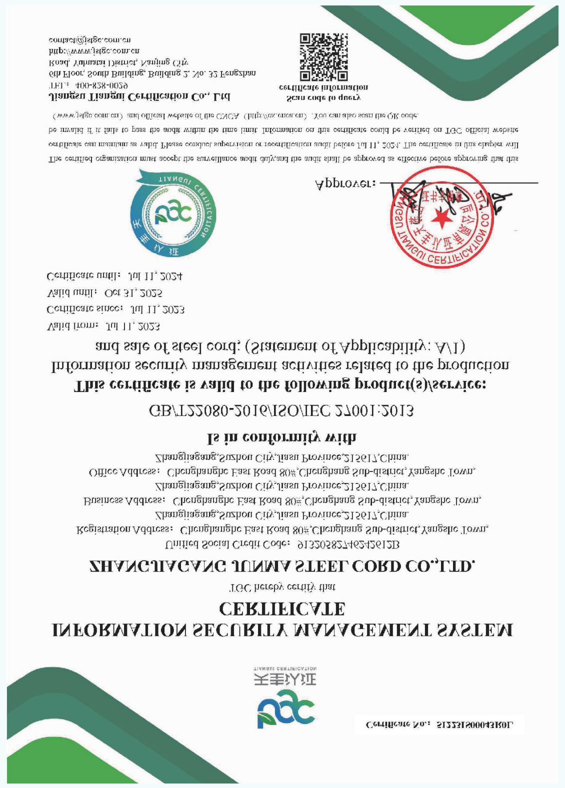
During the reporting period, there were no confirmed incidents, complaints or reports of corruption, bribery, money laundering, unfair competition, or any other business ethics issues.

Information Security and Privacy Protection

Policies and System Establishment

Through policies including the *Information Security Management System, Information Security Management Procedures*, and *Emergency Response Plans*, we standardize daily information security management and emergency response plans.

We have established an information security work leading group and designated personnel responsible for information security, employee and customer data privacy management, and other related matters. During the reporting period, we achieved ISO 27001 Information Security Management System certification across all our operational locations.



Certificate No.: S1223IS00043R0L

天圭认证
TIANGUI CERTIFICATION

INFORMATION SECURITY MANAGEMENT SYSTEM
CERTIFICATE

TGC hereby certify that

ZHANGJIAGANG JUNMA STEEL CORD CO.,LTD.

Unified Social Credit Code: 91320582746242612B
Registration Address: Chenghanghe East Road 80#,Chenghang Sub-district,Yangshe Town, Zhangjiagang,Suzhou City,Jiasu Province,215617,China.
Business Address: Chenghanghe East Road 80#,Chenghang Sub-district,Yangshe Town, Zhangjiagang,Suzhou City,Jiasu Province,215617,China.
Office Address: Chenghanghe East Road 80#,Chenghang Sub-district,Yangshe Town, Zhangjiagang,Suzhou City,Jiasu Province,215617,China.

Is in conformity with

GB/T22080-2016/ISO/IEC 27001:2013

This certificate is valid to the following product(s)/service:

Information security management activities related to the production and sale of steel cord; (Statement of Applicability: A/1)

Valid from: Jul 11, 2023
Certificate since: Jul 11, 2023
Valid until: Oct 31, 2025
Certificate until: Jul 11, 2024

Approver:

The certified organization must accept the surveillance audit duly,and the audit shall be approved as effective before approving that this certificate can maintain as valid. Please conduct supervision or recertification audit before Jul 11, 2024. The certificate in this chapter will be invalid if it fails to pass the audit within the time limit. Information on this certificate could be verified on TGC official website (www.jstgc.com.cn) and official website of the CNCA (http://cx.cnca.cn). You can also scan the QR code.

Jiangsu Tiangui Certification Co., Ltd
TEL: 400-828-0029
6th Floor, South Building, Building 2, No. 32 Fengzhan Road, Yuhuatai District, Nanjing City
http://www.jstgc.com.cn
contact@jstgc.com.cn

Scan code to query certificate information

Junma Steel Cord has been ISO 27001-2013 Information Security System Certified.

Risk Identification, Assessment, and Response

To further optimize the company's information security management, we have identified and graded the following risks:

- Work Disruption
- Data Breach
- Unauthorized Access
- Improper Data Storage
- Vulnerable Storage Media
- Lack of Backup or Inadequate Backup Strategy

Based on these risks, we have implemented targeted information security measures.

Auditing Information Security Vulnerabilities	• Regularly inspect, update, and upgrade accounts, passwords, software patches, etc., of our information systems. • Eliminate weak passwords and credentials.
Installing Antivirus Software	• Install antivirus software on every computer and conduct regular virus scans. • Immediately disconnect network connections for computers with vulnerabilities in their operating systems or inadequately configured antivirus software. Report and address any issues promptly.
Employee Management and Training	• Conduct security training for all computer users within the organization. • Employees in risk-sensitive positions are required to sign a *Confidentiality Agreement* to ensure strict confidentiality of customer information and privacy. • Assign VLANs (Virtual Local Area Networks) to each networked computer by department, managed by the Information Center. • Dedicated personnel maintain and use business computers, strictly prohibiting the use of non-work-related storage media.

Data and Privacy Protection

When handling privacy data and information from stakeholders such as employees, customers, and suppliers, we adhere to the principle of "minimize" and implement tiered authorization for different types of information. Only after obtaining the necessary authorization can information be processed. The data is retained for a maximum of 20 years in accordance with national regulations and customer requirements.

Incident Response to Information Leaks

We have formulated *Information Security Emergency Response Plans* and established an emergency response mechanism for personal data breaches. In the event of a personal data breach, we will immediately form an emergency response team based on existing procedures to reduce the likelihood of unauthorized access or disclosure of third-party data, and ensure timely notification to affected stakeholders.

Hacker Attacks or Destructive Attacks on Software Systems	• Critical software systems must maintain regular backups, and the corresponding data must be backed up for days and stored securely. • In case of severe incidents, immediately report to the head of the information security leadership team and follow instructions to alert superiors or the public security department.
Network Line Interruption or Hardware Equipment Failure	• If either the primary or backup network line is interrupted or hardware equipment fails, other backup lines or equipments should be activated immediately to continue operations, while simultaneously reporting to the information security leadership team. • If both the primary and backup lines are simultaneously interrupted, or if the faulty hardware equipment cannot be repaired immediately, network security personnel should assess the faulty node and work towards restoration as soon as possible. Data uploading should be temporarily suspent.
External Power Interruption	• Immediately switch to the backup power supply and ascertain the cause. • In case of prolonged power outages, with UPS support, shut down all servers properly to ensure data security and turn off all equipment in the server room to prevent sudden power cuts from damaging equipment.

In addition to the above scenarios, we have identified risks of data loss due to climatic changes such as heavy rain and high temperatures or natural disasters, and formulated emergency response procedures to minimize data damage or information leakage.

Trainings and Drills

To enhance the awareness and capabilities of our employees in information security protection, network information security education and training sessions are conducted every six months to ensure that every employee understands the laws and regulations of information security accurately and strictly adheres to the related policies.

Trainings on Information Security

Furthermore, we actively conduct offensive and defensive drills to improve employees' organizational command and emergency response capabilities in dealing with information security incidents, ensuring the continued operation and fault recovery of information systems during emergencies, and maintaining the security and smooth flow of information systems.

Third-Party Management

We strictly regulate the selection of external servers through conducting information security due diligence on third parties, reviewing their information security management qualifications, and giving priority to cooperating with server contractors that have passed Grade III of the Cybersecurity Protection Evaluation, ISO 27001 certification, or other equivalent certifications.

Complaints and Reports

To promptly identify and eliminate potential hazards, deter and punish illegal and violating behaviors, we have formulated the Security Complaints and Reporting Policy, encouraging all stakeholders including employees, customers, suppliers, etc., to report any information security risks and related illegal or violating behaviors they discover through letters, emails, phone calls, etc.

Mailing Address:
Chenghanghe East Road, Yangshe
Town, Zhangjiagang City

Email:
hankouzh@163.com

Report Hotline:
0512-58140915

In 2023, there were zero complaints received concerning breaches of customer privacy. There were also no incidents of identified leaks, thefts or losses of customer data, nor any security breaches during the reporting period.

Intellectual Property Management

We have clear objectives and positioning for our intellectual property strategy and development, which declares the targets to reduce innovation costs, own a large number of patents, and occupy a dominant market position. To adapt to market changes, we adopt a strategy combining technological development, patents, trademarks, and trade secret protection, which leads to an approximate 80% patent conversion rate.

Junma Steel Cord emphasizes intellectual property protection, 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*, establishes and improves the intellectual property management system, formulates *Intellectual Property Management Manual and Intellectual Property Incentive System*, and establishes a dedicated Intellectual Property Office staffed with full-time personnel by adding technical contracts, signing confidentiality agreements, etc., forming a management system with solid legal and regulatory foundations for intellectual property work.

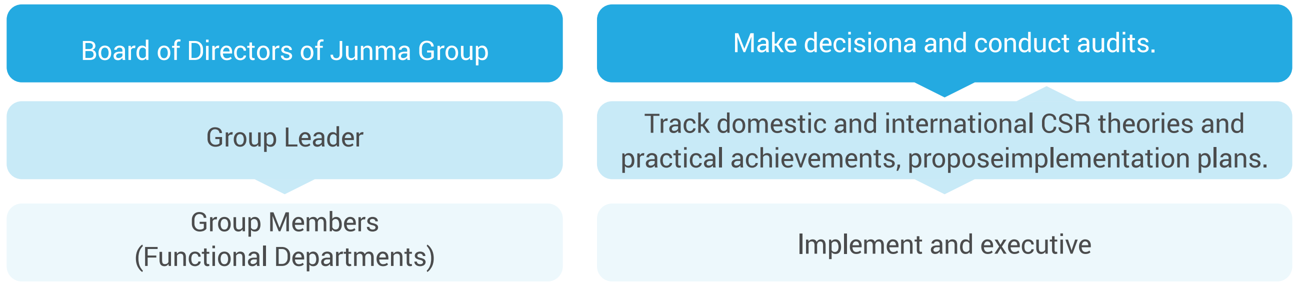
As a national demonstration unit for intellectual property rights, we conducted a product patent early warning analysis report on our flagship product, steel cords in 2023 in order to better mitigate market risks. Through scientific analysis and research, we identified our strengths and breakthrough points, pinpointed weaknesses and gaps, thereby avoiding patent infringement risks and exploring diverse technical solutions to enhance technological innovation capabilities. Additionally, to further expand into overseas markets, we have registered four overseas trademarks in the United States and the European Union. Up to now, our company holds 175 authorized patents, including 10 invention patents. To foster a positive and conducive intellectual property work environment, we have increased our patent reward incentives. In 2023, we awarded a total of 70,200 yuan in bonuses to 26 inventors, significantly boosting employees' enthusiasm and engagement in intellectual property-related work.

ESG Governance

ESG Governance Structure

To better promote the group's globalization development strategy and enhance its competitiveness in the international market, Junma Steel Cord has established the Sustainable Development Group dedicated to implementing various tasks related to corporate social responsibility and sustainable development.

The Sustainable Development Group is led by the group leader, coordinated and promoted by the deputy group leader, and collaboratively implemented by group members. The board of directors of Junma Group is responsible for reviewing and deciding on essential ESG matters. The leader of our Sustainable Development Group is responsible for tracking domestic and international CSR theories and practical achievements, proposing implementation plans to be executed by various functional departments. The group members, composed of representatives from various functional departments, are responsible for managing and promoting ESG work within their departments, while each functional department is responsible for implementing the relevant tasks assigned by group members.



Board of Directors of Junma Group
Make decisiona and conduct audits.
Group Leader
Track domestic and international CSR theories and practical achievements, proposeimplementation plans.
Group Members (Functional Departments)
Implement and executive

Responsibility to Society
Harmony, Contribution, Progress Together
Dedicated to serving the nation through industrial development, we steer our company's growth towards making valuable contributions to society.

Responsibility to Customers
Efficiency, Sincerity, Reliability
We strive to exceed customer expectations with superior products, impeccable quality, and attentive service.

ESG Management Model

Resbonsbility to Shareholders
Truthfulness, Continuity, and Reward Enhance enterprise value, earn the trust and support of shareholders and investors; Resbonsbility to Employees Motivation, Care, and Growth Talents are the cornerstone of the company. Only through continuous development can we realize the value of employees.

Responsibility to Customers
Efficiency, Sincerity, Reliability
We strive to exceed customer expectations with superior products, impeccable quality, and attentive service.

Sustainable Development Commitments & Progress

Alignment with UN SDGs

Based on our business operations, we formulate targeted actions aligned with 14 out of the 17 United Nations Sustainable Development Goals (SDGs) and their 169 targets, actively contributing to their achievement.

Environmental

6 CLEAN WATER AND SANITATION	Ensure all industrial wastewater is treated to regulatory standards before discharge. Replace outdated equipment and implement upgrades to reduce water waste. Encourage water conservation in daily operations.
7 AFFORDABLE AND CLEAN ENERGY	Explore clean energy alternatives and make reduction plans to mitigate GHG emissions.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Strictly enforce waste segregation. Engage qualified vendors for waste disposal. Enhance material recycling rates. Ensure chemical safety.
13 CLIMATE ACTION	Identify climate-related risks and opportunities under the TCFD framework. Prepare contingency plans related to climate change. Strengthen employee awareness.
15 LIFE ON LAND	Commit to refraining from any business activities in protected habitats.

Social

1 NO POVERTY	Continuously monitor societal needs and actively engage in public welfare initiatives, establishing a corporate philanthropy system.

Social

2 ZERO HUNGER	Organize and participate in charitable events.
3 GOOD HEALTH AND WELL-BEING	Provide safe workplaces, ensuring adherence to safety regulations, protective equipment usage, regular health check-ups, and safety education.
4 QUALITY EDUCATION	Establish a comprehensive training system to foster employee-company growth. Support education through donations to schools.
5 GENDER EQUALITY	Adhere to labor laws, provide equal employment opportunities for females. Promote gender equality in hiring, compensation, and career advancement. Collaborate with female-led enterprises.
8 DECENT WORK AND ECONOMIC GROWTH	Safeguard employee rights, oppose child labor and forced labor. Offer competitive salaries. Offer a healthy workplace, pay attention to wellbeing and career development. Promote local procurement to stimulate regional economies.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Strictly manage the quality of incoming materials from suppliers. Promote local procurement to ensure stability sourcing. Work with suppliers to improve material sourcing, advance sustainable production and consumption, and collaborate on circular economy practices. Invest in innovation and R&D, enhancing core competitiveness and driving industry progress. Foster collaboration with academic institutions to nurture innovative talent. Participate in industry forums to enhance innovation capabilities. Participate in industry standard-setting.
10 REDUCED INEQUALITIES	Uphold labor rights and gender equality. Implement diversity and inclusion policies, create an inclusive and respectful work environment. Partner with minority-led enterprises. Recruit and subsidize disableds.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Strive to provide consumers with higher-quality products and services through technological upgrades and customer demand management. Commit to not sourcing minerals from conflict areas.

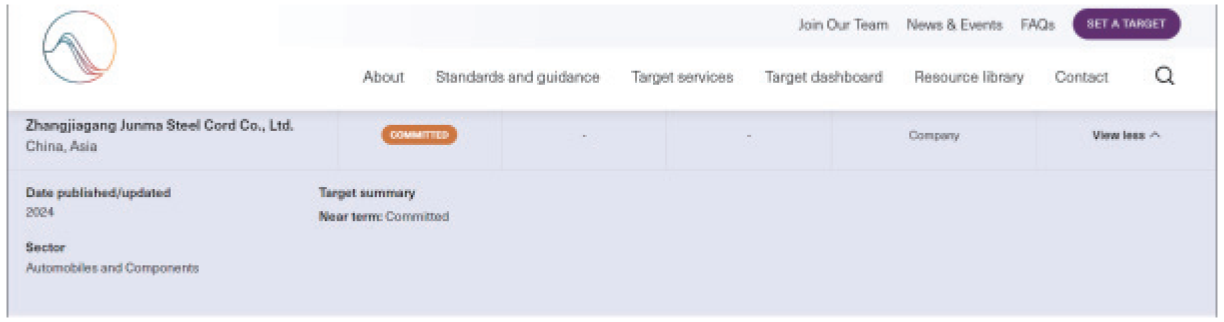
Governance

8 DECENT WORK AND ECONOMIC GROWTH	Expand markets to achieve higher economic productivity.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Comply with laws and regulations, strengthening an accountable governance structure with clear roles and responsibilities. Foster a compliant, transparent, and responsible organization, advancing business ethics and anti-corruption systems to minimize unethical behavior. Raise employee awareness of information security, reinforcing data and network protection to prevent customer information breaches.

Certifications

By continually optimizing management capabilities, fostering innovation, enhancing environmental stewardship, ensuring product quality compliance, and cultivating healthy workplaces, we've obtained various sustainability certifications, undergoing regular third-party audits to sustain our progress. Furthermore, we' ve joined the United Nations Global Compact (UNGC).

Junma Steel Cord Has Submitted GHG Emission Reduction Plan to SBTi.



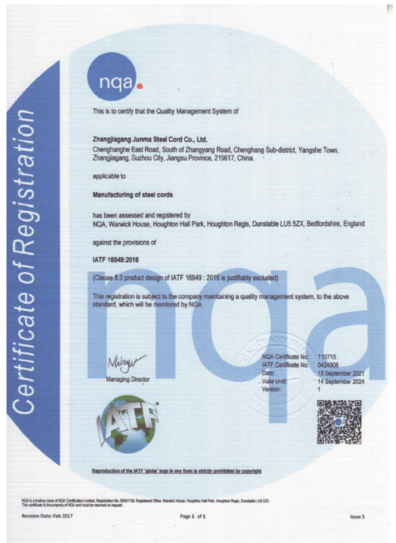
Zhangjiagang Junma Steel Cord Co., Ltd.
China, Asia
COMMITTED
-
-
Company
View less

Date published/updated
2024

Target summary
Near term: Committed

Sector
Automobiles and Components

Certifications



Certificate of Registration

nqa

This is to certify that the Quality Management System of

Zhangjiagang Junma Steel Cord Co., Ltd.
Chenghanghe East Road, South of Zhangyang Road, Chenghang Sub-district, Yangshe Town, Zhangjiagang, Suzhou City, Jiangsu Province, 215617, China.

applicable to

Manufacturing of steel cords

has been assessed and registered by
NQA, Warwick House, Houghton Hall Park, Houghton Regis, Dunstable LU5 5ZX, Bedfordshire, England

against the provisions of

IATF 16949:2016

(Clause 8.3 product design of IATF 16949 : 2016 is justifiably excluded)

This registration is subject to the company maintaining a quality management system, to the above standard, which will be monitored by NQA

Managing Director

NQA Certificate No: T10715
IATF Certificate No: 0424908
Date: 15 September 2021
Valid Until: 14 September 2024
Version: 1

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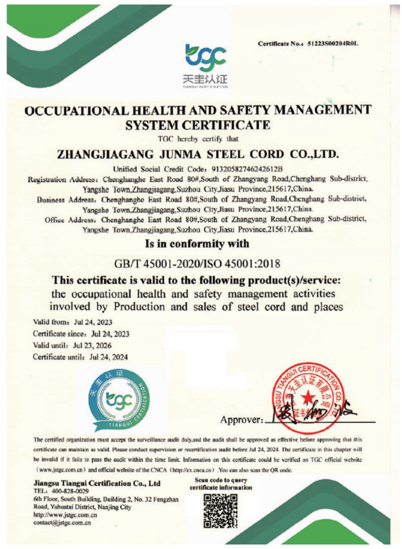
NQA is a trading name of NQA Certification Limited, Registration No. 09351758. Registered Office: Warwick House, Houghton Hall Park, Houghton Regis, Dunstable LU5 5ZX.
This certificate is the property of NQA and must be returned on request

Revision Date: Feb 2017 Page 1 of 1 Issue 5

IATF 16949



Certificate No.: 51223S00204R0L

天圭认证

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

TGC hereby certify that

ZHANGJIAGANG JUNMA STEEL CORD CO.,LTD.

Unified Social Credit Code: 91320582746242612B
Registration Address: Chenghanghe East Road 80#,South of Zhangyang Road,Chenghang Sub-district, Yangshe Town,Zhangjiagang,Suzhou City,Jiasu Province,215617,China.
Business Address: Chenghanghe East Road 80#,South of Zhangyang Road,Chenghang Sub-district, Yangshe Town,Zhangjiagang,Suzhou City,Jiasu Province,215617,China.
Office Address: Chenghanghe East Road 80#,South of Zhangyang Road,Chenghang Sub-district, Yangshe Town,Zhangjiagang,Suzhou City,Jiasu Province,215617,China.

Is in conformity with

GB/T 45001-2020/ISO 45001:2018

This certificate is valid to the following product(s)/service:
the occupational health and safety management activities involved by Production and sales of steel cord and places

Valid from: Jul 24, 2023
Certificate since: Jul 24, 2023
Valid until: Jul 23, 2026
Certificate until: Jul 24, 2024

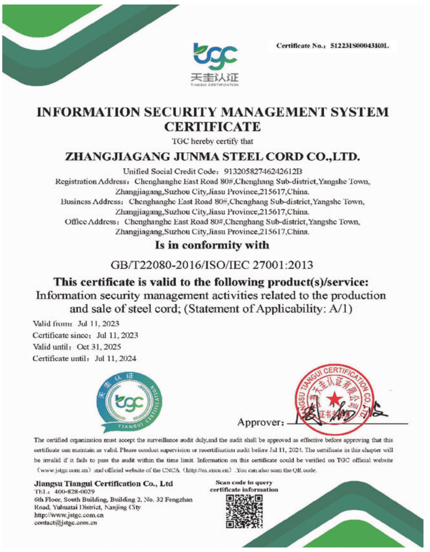
Approver:

The certified organization must accept the surveillance audit duly,and the audit shall be approved as effective before approving that this certificate can maintain as valid. Please conduct supervision or recertification audit before Jul 24, 2024. The certificate in this chapter will be invalid if it fails to pass the audit within the time limit. Information on this certificate could be verified on TGC official website (www.jstgc.com.cn) and official website of the CNCA (http://cx.cnca.cn) .You can also scan the QR code.

Jiangsu Tiangui Certification Co., Ltd
TEL: 400-828-0029
6th Floor, South Building, Building 2, No. 32 Fengzhan Road, Yuhuatai District, Nanjing City
http://www.jstgc.com.cn
contact@jstgc.com.cn

Scan code to query certificate information

ISO 45001-2018



Certificate No.: 51223IS00043R0L

天圭认证

INFORMATION SECURITY MANAGEMENT SYSTEM CERTIFICATE

TGC hereby certify that

ZHANGJIAGANG JUNMA STEEL CORD CO.,LTD.

Unified Social Credit Code: 91320582746242612B
Registration Address: Chenghanghe East Road 80#,Chenghang Sub-district,Yangshe Town, Zhangjiagang,Suzhou City,Jiasu Province,215617,China.
Business Address: Chenghanghe East Road 80#,Chenghang Sub-district,Yangshe Town, Zhangjiagang,Suzhou City,Jiasu Province,215617,China.
Office Address: Chenghanghe East Road 80#,Chenghang Sub-district,Yangshe Town, Zhangjiagang,Suzhou City,Jiasu Province,215617,China.

Is in conformity with

GB/T22080-2016/ISO/IEC 27001:2013

This certificate is valid to the following product(s)/service:
Information security management activities related to the production and sale of steel cord; (Statement of Applicability: A/1)

Valid from: Jul 11, 2023
Certificate since: Jul 11, 2023
Valid until: Oct 31, 2025
Certificate until: Jul 11, 2024

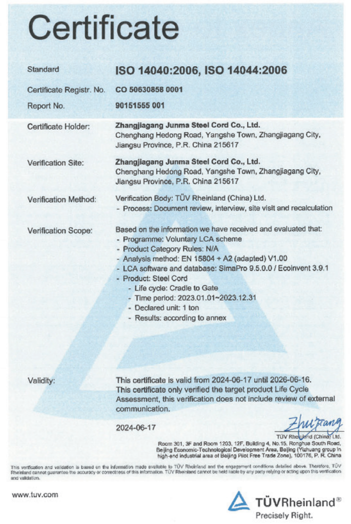
Approver:

The certified organization must accept the surveillance audit duly,and the audit shall be approved as effective before approving that this certificate can maintain as valid. Please conduct supervision or recertification audit before Jul 11, 2024. The certificate in this chapter will be invalid if it fails to pass the audit within the time limit. Information on this certificate could be verified on TGC official website (www.jstgc.com.cn) and official website of the CNCA (http://cx.cnca.cn) .You can also scan the QR code.

Jiangsu Tiangui Certification Co., Ltd
TEL: 400-828-0029
6th Floor, South Building, Building 2, No. 32 Fengzhan Road, Yuhuatai District, Nanjing City
http://www.jstgc.com.cn
contact@jstgc.com.cn

Scan code to query certificate information

ISO50001-2018



Certificate

Standard	**ISO 14040:2006, ISO 14044:2006**
Certificate Registr. No.	**CO 50630858 0001**
Report No.	**90151555 001**
Certificate Holder:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617
Verification Site:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617
Verification Method:	Verification Body: TÜV Rheinland (China) Ltd. - Process: Document review, interview, site visit and recalculation
Verification Scope:	Based on the information we have received and evaluated that: - Programme: Voluntary LCA scheme - Product Category Rules: N/A - Analysis method: EN 15804 + A2 (adapted) V1.00 - LCA software and database: SimaPro 9.5.0.0 / Ecoinvent 3.9.1 - Product: Steel Cord - Life cycle: Cradle to Gate - Time period: 2023.01.01~2023.12.31 - Declared unit: 1 ton - Results: according to annex
Validity:	This certificate is valid from 2024-06-17 until 2026-06-16. This certificate only verified the target product Life Cycle Assessment, this verification does not include review of external communication.

2024-06-17

Zhuxiang
TÜV Rheinland (China) Ltd.
Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

This verification and validation is based on the information made available to TÜV Rheinland and the engagement conditions detailed above. Therefore, TÜV Rheinland cannot guarantee the accuracy or correctness of this information. TÜV Rheinland cannot be held liable by any party relying or acting upon this verification and validation.

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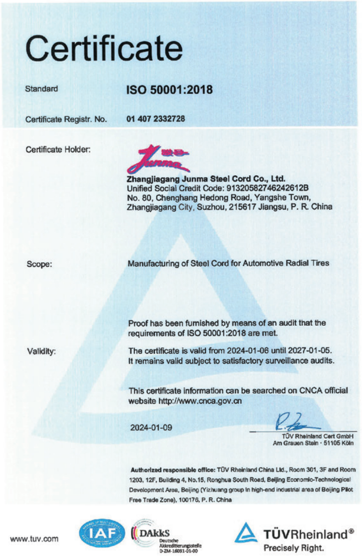
ISO14001-2015



Certificate

Standard	**ISO 50001:2018**
Certificate Registr. No.	**01 407 2332728**
Certificate Holder:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Unified Social Credit Code: 91320582746242612B No. 80, Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Suzhou, 215617 Jiangsu, P. R. China
Scope:	Manufacturing of Steel Cord for Automotive Radial Tires
	Proof has been furnished by means of an audit that the requirements of ISO 50001:2018 are met.
Validity:	The certificate is valid from 2024-01-06 until 2027-01-05. It remains valid subject to satisfactory surveillance audits.
	This certificate information can be searched on CNCA official website http://www.cnca.gov.cn

2024-01-09

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

Authorized responsible office: TÜV Rheinland China Ltd., Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

www.tuv.com
IAF
DAkkS Deutsche Akkreditierungsstelle D-ZM-16031-01-00
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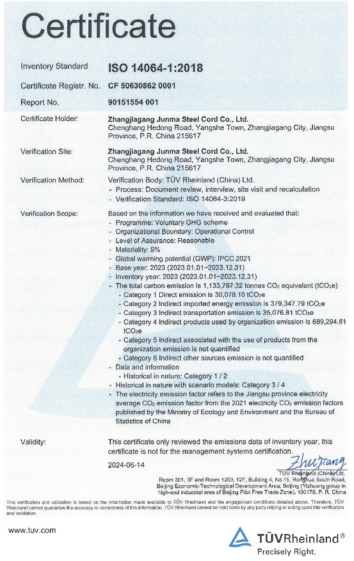
ISO50001-2018



Certificate

Inventory Standard	**ISO 14064-1:2018**
Certificate Registr. No.	**CF 50630862 0001**
Report No.	**90151554 001**
Certificate Holder:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617
Verification Site:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617
Verification Method:	Verification Body: TÜV Rheinland (China) Ltd. - Process: Document review, interview, site visit and recalculation - Verification Standard: ISO 14064-3:2019
Verification Scope:	Based on the information we have received and evaluated that: - Programme: Voluntary GHG scheme - Organizational Boundary: Operational Control - Level of Assurance: Reasonable - Materiality: 5% - Global warming potential (GWP): IPCC 2021 - Base year: 2023 (2023.01.01~2023.12.31) - Inventory year: 2023 (2023.01.01~2023.12.31) - The total carbon emission is 1,133,797.32 tonnes CO_2 equivalent (tCO_2e) - Category 1 Direct emission is 30,078.10 tCO_2e - Category 2 Indirect imported energy emission is 379,347.79 tCO_2e - Category 3 Indirect transportation emission is 35,076.81 tCO_2e - Category 4 Indirect products used by organization emission is 689,294.61 tCO_2e - Category 5 Indirect associated with the use of products from the organization emission is not quantified - Category 6 Indirect other sources emission is not quantified - Data and information - Historical in nature: Category 1 / 2 - Historical in nature with scenario models: Category 3 / 4 - The electricity emission factor refers to the Jiangsu province electricity average CO_2 emission factor from the 2021 electricity CO_2 emission factors published by the Ministry of Ecology and Environment and the Bureau of Statistics of China
Validity:	This certificate only reviewed the emissions data of inventory year, this certificate is not for the management systems certification.

2024-06-14

Zhuxiang
TÜV Rheinland (China) Ltd.
Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

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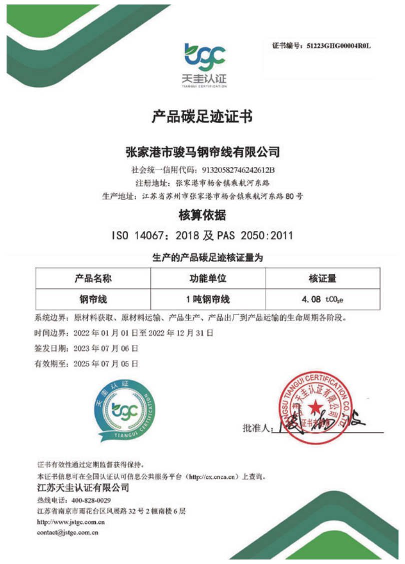
ISO14064-1:2018



证书编号：51223GHG00004R0L

天圭认证

产品碳足迹证书

张家港市骏马钢帘线有限公司

社会统一信用代码：91320582746242612B
注册地址：张家港市杨舍镇乘航河东路
生产地址：江苏省苏州市张家港市杨舍镇乘航河东路80号

核算依据

ISO 14067：2018 及 PAS 2050:2011

生产的产品碳足迹核证量为

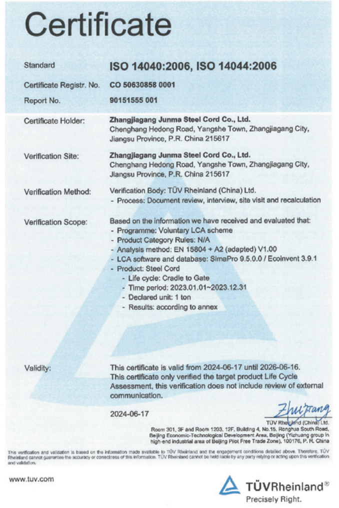
产品名称	功能单位	核证量
钢帘线	1 吨钢帘线	4.08 tCO_2e

系统边界：原材料获取、原材料运输、产品生产、产品出厂到产品运输的生命周期各阶段。
时间边界：2022 年 01 月 01 日至 2022 年 12 月 31 日
签发日期：2023 年 07 月 06 日
有效期至：2025 年 07 月 05 日

批准人：

证书有效性通过定期监督获得保持。
本证书信息可在全国认证认可信息公共服务平台（http://cx.cnca.cn）上查询。
江苏天圭认证有限公司
热线电话：400-828-0029
江苏省南京市雨花台区凤展路 32 号 2 幢南楼 6 层
http://www.jstgc.com.cn
contact@jstgc.com.cn

Production Carbon Footprint



Certificate

Standard	**ISO 14040:2006, ISO 14044:2006**
Certificate Registr. No.	**CO 50630858 0001**
Report No.	**90151555 001**
Certificate Holder:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617
Verification Site:	**Zhangjiagang Junma Steel Cord Co., Ltd.** Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617
Verification Method:	Verification Body: TÜV Rheinland (China) Ltd. - Process: Document review, interview, site visit and recalculation
Verification Scope:	Based on the information we have received and evaluated that: - Programme: Voluntary LCA scheme - Product Category Rules: N/A - Analysis method: EN 15804 + A2 (adapted) V1.00 - LCA software and database: SimaPro 9.5.0.0 / Ecoinvent 3.9.1 - Product: Steel Cord - Life cycle: Cradle to Gate - Time period: 2023.01.01~2023.12.31 - Declared unit: 1 ton - Results: according to annex
Validity:	This certificate is valid from 2024-06-17 until 2026-06-16. This certificate only verified the target product Life Cycle Assessment, this verification does not include review of external communication.

2024-06-17

Zhuxiang
TÜV Rheinland (China) Ltd.
Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

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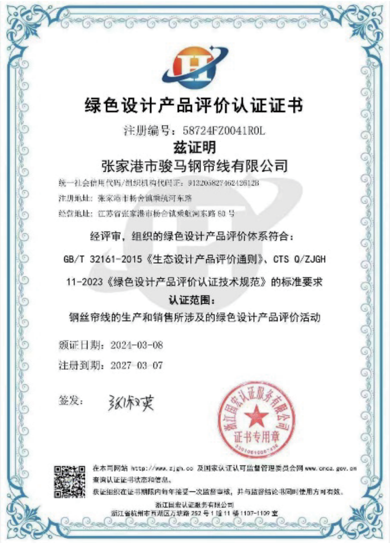
SO14040：2006/
ISO14044：2006



绿色设计产品评价认证证书

注册编号：58724FZ0041R0L

兹证明

张家港市骏马钢帘线有限公司

统一社会信用代码/组织机构代码证：91320582746242612B
注册地址：张家港市杨舍镇乘航河东路
经营地址：江苏省张家港市杨舍镇乘航河东路80号

经评审，组织的绿色设计产品评价体系符合：

GB/T 32161-2015《生态设计产品评价通则》、CTS Q/ZJGH 11-2023《绿色设计产品评价认证技术规范》的标准要求

认证范围：

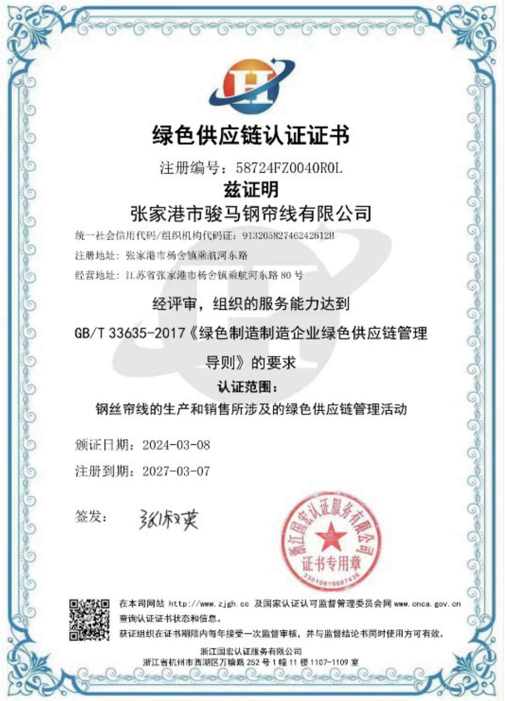
钢丝帘线的生产和销售所涉及的绿色设计产品评价活动

颁证日期：2024-03-08
注册到期：2027-03-07

签发： 张淑英

在本司网站 http://www.zjgh.co 及国家认证认可监督管理委员会网 www.cnca.gov.cn 查询认证证书状态和信息。
获证组织在证书期限内每年接受一次监督审核，并与监督结论书同时使用方可有效。
浙江国宏认证服务有限公司
浙江省杭州市西湖区方塘路 252 号 1 幢 11 楼 1107-1109 室

Green Designed Product Assessment Certificate



绿色供应链认证证书

注册编号：58724FZ0040R0L

兹证明

张家港市骏马钢帘线有限公司

统一社会信用代码/组织机构代码证：91320582746242612B

注册地址：张家港市杨舍镇乘航河东路

经营地址：江苏省张家港市杨舍镇乘航河东路 80 号

经评审，组织的服务能力达到

GB/T 33635-2017《绿色制造制造企业绿色供应链管理导则》的要求

认证范围：

钢丝帘线的生产和销售所涉及的绿色供应链管理活动

颁证日期：2024-03-08

注册到期：2027-03-07

签发：张淑英

在本司网站 http://www.zjgh.cc 及国家认证认可监督管理委员会网 www.cnca.gov.cn 查询认证证书状态和信息。

获证组织在证书期限内每年接受一次监督审核，并与监督结论书同时使用方可有效。

浙江国宏认证服务有限公司

浙江省杭州市西湖区万塘路 252 号 1 幢 11 楼 1107-1109 室

Green Supply Chain Certificate

National High-tech Enterprise

Excellent Management Model Enterprise of Jiangsu Province

AAA Grade Contract and Trustworthy Enterprise of Jiangsu Province

Intelligent Manufacturing Factory of Jiangsu Province

Key Technology Research and Development of Ultra-high Strength Ultra-fine Steel Cord won the Third Prize of Scientific and Technological Progress of China Machinery Federation.

National Intellectual Property Demonstration Unit

Advanced Unit of Private Enterprise Employment of Jiangsu Province

Measurement Guarantee Confirmation Unit of Jiangsu Province

Green Factory (3A grade) of Suzhou

Credit Demonstration Unit of Suzhou

Landmark Enterprise of Jiangsu Province

100 Model Enterprises for Establishing Modern Enterprise System of Jiangsu Province

Water-saving Enterprise of Jiangsu Province

Key Technology Research and Development of High-performance Cutting Wires won the Second Prize of Scientific and Technological Progress of China General Chamber of Commerce.

Civilization Pacemaker Unit of Suzhou

Stakeholders Communication

We have identified the key stakeholders and are committed to understanding and responding to their primary ESG concerns. Below is a detailed breakdown of the stakeholders, their communication channels, their areas of interest, and our corresponding responses.

Stakeholders	Communicating Channels	Issues Concerned	Our Commitment
Governments & Regulatory Authorities	• Regulatory communication • Government announcements • Supervisory assessment	• Corporate Governance • Compliance • Product Quality & Safety • Environmental Management • Carbon Emissions • Circular Economy	• Comply with legal and regulatory requirements • Legally pay taxes • Plan and execute information disclosure • Improve and refine the quality management system and achieve IATF 16949 certification
Shareholders & Investors	• Quarterly, half-yearly, annual and other performance reports • Shareholders' Meeting • Website and Email	• Corporate Governance • Intellectual Property Protection	• 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	• Product sales and promotion • Lean management and lean production • Consumer research • After-sales service • Customer Satisfaction Survey	• Product Quality & Safety • Product & Service Accessibility • Research & Development • Intellectual Property Protection • Supply Chain Management • Information Security	• Establish a customer complaint and response system • Optimize the full cycle of research, supply, production, and sales services • Optimize after-sales service system • Sign confidentiality agreements with clients
Employees	• Employee visits • Employee satisfaction survey • Communication meetings such as collective bargaining meetings • Employee Feedback Platform • Annual company meetings • Training and performance interviews	• Workplace Health & Safety • Diversity, Inclusion & Employee Wellbeing • Trainings & Career Development	• Achieve ISO 45001 Occupation Health and Safety system certificated • Conduct and analyse satisfactory survey among employees • Provide competitive compensation and welfare system • Build comprehensive career development pathways along with training system • Improve compliance in hiring practices to prevent workplace discrimination • Guarantee employees' freedom of association

Stakeholders	Communicating Channels	Issues Concerned	Our Commitment
Suppliers	- Supplier conference - Contract signing and execution - Supplier training - Supplier assessment and on-site audit	- Product Quality & Safety - Supply Chain Management - Compliance	- Establishing supplier quality management system and strict quality control of incoming materials - Sign contracts with clauses related to CSR performance - Provide products and services that meet the required standards and operate in a manner that complies with applicable laws and regulations - Conduct on-site audits and trainings
Community & Public	- Visit and research community needs - Participate in community development needs communication meetings	- Community Engagement and Development - Public Charity & Volunteering	- Organize charity activities - Support the development of local industrial chains - Foster regional economic growth
Associations	- Forums and seminars - Participate in the development of industry standards - Project co-operation - Visits and exchanges	- Research & Development - Product Quality & Safety	- Engage in research and development of innovative products - Initiate collaboration projects to enhance product quality
NGO&Public Benefit Organisation	- Contribute corporate experience - Participate in conferences, forums and other interactive activities - Enhance international exchange and co-operation	- Community Engagement and Development - Public Charity & Volunteering	- Participate in the formulation of industry standards. - Communicate on issues of external concern. - Provide educational support to cultivate industry talent.
Environment	- Annual Report - ESG report	- Environmental Management - Energy Management - Water Resource - Carbon Emissions Management - Clean Technology Opportunities - Waste Management - Circular Economy.	- Continuously optimize the environmental management. - Establish an environmental management system and obtain ISO 14001 certification. - Promote the transformation of energy consumption. - Implement energy-saving technological upgrades to reduce carbon emissions. - Conduct climate risk analysis based on the TCFD framework. - Classify and manage waste for recycling. - Ensure compliant discharge of wastewater and exhaust gas.

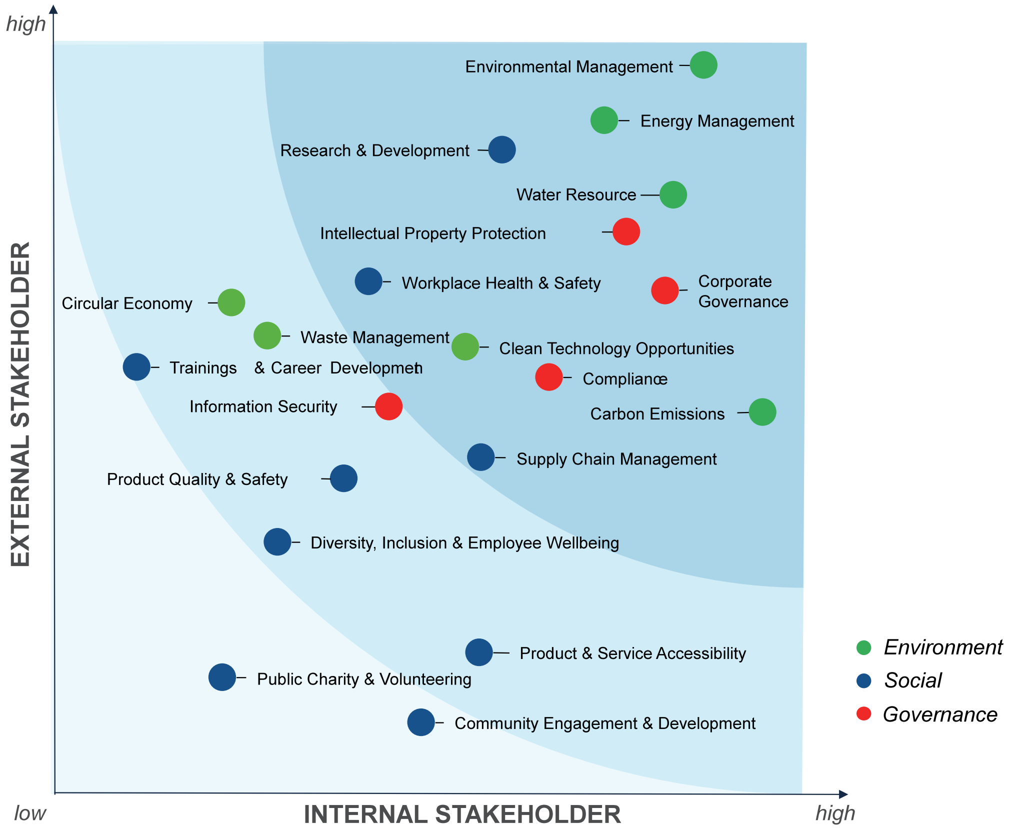
Issues Assessment Procedure

Based on GRI standards, we have conducted materiality analysis with our stakeholders.

Review	Identify material topics highly relevant to our operations based on global accountability trends, national policy directions, ESG standards analysis,industry benchmarks, etc.
Stakeholder Analysis	Gather the expectations and requirements of internal and external stakeholders through interviews and communication.
Assessment	Assess the stakeholders' level of concern regarding material topics based on our ESG management and the impact of its operations on stakeholders.
Validation	Validate the assessment of substantive issues in conjunction with the company's strategic planning and operational policies, and identify the following highly material topics.

Materiality Matrix

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



5

Harmonious Workplace

Workplace Health and Safety

Career Management

Employee Rights and Benefits

05 | Harmonious Workplace

Workplace Health and Safety

Junma Steel Cord adheres to the safety policy of "Safety First, Prevention Priority, and Comprehensive Governance," establishes annual occupational health management goals, and strengthens various basic safety management tasks. During the reporting period, the company passed the review to become a second-level work safety standardization enterprise in Jiangsu Province.

Our Goals

Qualitative Indicators

Ensure our business operations do not negatively impact the health or safety of any external stakeholders.

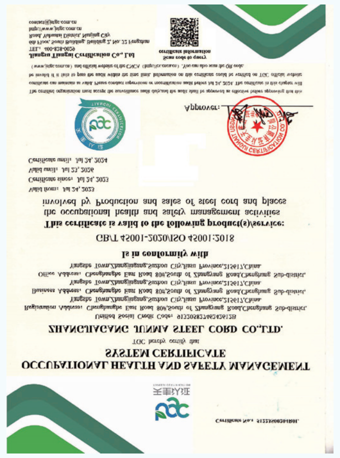
Quantitative Indicators	Goals	Performance in 2023
Level 8+ Work-related Injuries	0	0
Major Work-related Injuries	10	3
Major Fire Accidents	0	0
Major Equipment Accidents[1]	0	0
Occupational Diseases	0	0
Accident Hazard Rectification Rate	100%	100%
5S Inspection Compliance Rate	≥80%	97.6%
Special Positions Holding Certificate Rate	100%	100%
Occupational Hazard Physical Examination Rate	100%	100%
Triple Safety Education and Training Rate	100%	100%

Occupational Health Management System

Junma Steel Cord conducts work safety management strictly in accordance with laws and regulations such as *Work Safety Law of the People's Republic of China* and has formulated *Occupational Safety and Health Regulations* and *Work Safety Management System*. By implementing the work safety responsibility system, and based on risk identification and control, we form a "2 Basics + 5 Pillars" production safety management model centered on two foundations of management organization and safety technology, and supported by five pillars of safety risk control, education and training, process supervision, hazard investigation, and incident response.

Additionally, our *Collective Agreement* signed with all employees outlines regulations and procedures for occupation health and safety management.

We have implemented 39 safety management policies and established the Safety Supervision Department which is responsible for occupational health management of all employees. Currently, the company has been ISO 45001 Occupational Health and Safety Management System certificated, with 100% of its operating locations covered, along with continuous audits of the system, including an internal audit annually and regular third-party audits.



ISO 45001 Occupational Health and Safety Management System Certification

Key Performance Indicators

The Safety Supervision Department represents **100%** of employees in carrying out occupational health management work

Workplaces Coverage by Employee Health and Safety Risk Assessments: **100%**

Recordable Injury Rate[2](per 1,000,000 work hours): **2,4041,388**

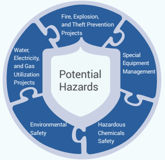
Lost Time Severe Incident Rate for direct labor : **0**

Health and Safety Risk Management

Relying on "JMIMS," which is our self-developed business platform, we regularly conduct safety hazard investigations in accordance with the hidden danger investigation and control system of our company. Focusing on potential hazards such as hazardous chemicals, fire management, and confined space operations, we organize self-examination and correction activities, conduct special emergency response plan drills to improve emergency response capabilities.

Risk Evaluation and Measurement

- Transportation and usage processes of raw materials and products
- Facilities, equipment, vehicles, and protective facility in the workplace
- Human factors, including violations of operational procedures and work safety regulations
- Climate, earthquakes, and other natural disasters



Fire, Explosion, and Theft Prevention Projects
Special Equipment Management
Hazardous Chemicals Safety
Environmental Safety
Water, Electricity, and Gas Utilization Projects
Potential Hazards

Identification of Occupational Hazard Risk Sources

- Set annual safety objectives and conduct risk identification annually
- Conduct business risk assessments during the planning phase of company safety standard establishment
- Identify hazardous and harmful factors in the company's existing equipment, facilities, buildings, and their surrounding areas
- Conduct hazard identification, special assessments, and risk control for dangerous work activities
- Rate identified risks based on the LEC (Likelihood, Exposure, Consequence) method

Risk Review and Rating

- Establish target indicators and management plans
- Develop operational control procedures and work instructions
- Formulate emergency response plans and contingency plans
- Conduct training and education
- Carry out supervision and inspections

Control and Mitigation

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[1] .Major equipment accidents mainly include forklift trucks, elevators, high-voltage power distribution, and production equipment accidents.

Equipment Safety Management

We have formulated policies such as *In-plant Traffic Safety and Loading/Unloading Management System and Safety Protection Equipment Management System.* By regularly conducting special safety hazard investigations and equipment maintenance for vehicles and equipment, regularly checking the electricity and gas safety in dormitory and office areas, and prohibiting the use of heaters and other electrical appliances that can easily cause fires and other safety accidents, we ensure a safe working environment.

Vehicle Safety Management
- Regularly inspect the valves, connections, and other components of unloading vehicles.
- Establish reward and punishment system to regulate vehicle driving safety.

Equipment Maintenance and Inspection
- Tighten parts, apply oil and lubrication, and perform equipment maintenance.
- Conduct annual safety inspections on equipment such as safety valves, fire extinguishing facilities, boilers, pressure vessels, pressure pipelines, etc.
- Inspect emergency rescue equipment such as positive pressure respirators immediately upon discovering any issues.

Emergency Management

In adherence to the safety production principle of "Safety First, Prevention as the Primary Means, and Comprehensive Management," our company has formulated *Emergency Rescue Management System* to standardize our emergency management work, which outlines procedures for emergency evacuation, first aid procedures, and other critical operations, and are communicated to employees through safety production meetings.

We actively conduct various emergency drills and ensure the distribution of emergency rescue equipment, devices, protective gear, tools, materials, and medicines, thereby enhancing employees' ability to respond to risks and prevent accidents. During the reporting period, a total of 12 emergency drills were conducted.

Emergency Drills

Confined Space Emergency Drills
Fire Escape Drills
Fire Rescue Emergency Drills
Hazardous Chemical Leakage Emergency Drills
……

Furthermore, we have established an emergency communication network with regular maintenance and updating for communication devices such as telephones, walkie-talkies, and mobile phones to ensure their smooth operation.

Hazardous Material Control

We have implemented the *Chemicals and Oil Management Regulations* to standardize employees' handling of chemicals and hazardous substances, enhancing operational safety.

Prevention of Repetitive Strain Injuries

Focusing on leadership-led shifts and standardized procedures for hazardous operations, we have implemented safety precautions. Automatic feeding and discharging systems, AGV forklifts, automated loading and unloading robotic arms for new water tank drawing machines, and automated wire collecting lines have been introduced. Additionally, labor protection shoes have been improved and distributed to reduce repetitive physical strain on employees.

Improvement of Labor Protection Shoes

According to the report of employees, the previous shoes were heavy, with steel toes prone to rubbing and blisters, and the soles were thin steel plates prone to wear and tear.

Before

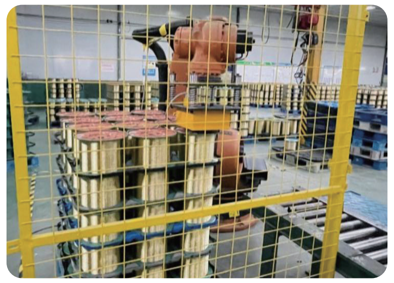
After four rounds of selection and improvement in 2023, the shoes were upgraded to plastic steel toes and Kevlar soles, reducing their weight by half while enhancing protective performance and improving wearer comfort.

After

Reduction of Hand Strain

Wet drawing automatic wire collection systems and robotic arms for sorting and handling finished product coils have been introduced, significantly reducing manual labor intensity.

Wet Drawing Automatic Wire Collection Systems


Robotic Arms

Automatic Forklift Trucks

Preventing High-Altitude Falls Accidents

To mitigate accidents involving employees working at heights, we have implemented 27 fall prevention lifelines based on specialized safety hazard inspections. Monthly safety inspections are conducted to ensure that personnel working at heights correctly wear safety helmets and properly utilize the fall prevention lifelines, thereby preventing high-altitude fall accidents.

During the reporting period, two potential hazards were identified and both of which have been rectified.

Noise Control

We have established *Noise Operation Management System* and issued protective equipment such as earplugs to all employees involved in jobs exposed to noise pollution.

In 2023, we entrusted a third-party testing agency to conduct noise measurements within the factory premises in accordance with the *Measurement of Physical Agents in the Workplace - Part 8: Noise (GBZ/T 189.8-2007)*. The results were evaluated based on *Occupational Exposure Limits for Hazardous Agents in the Workplace - Part 2: Physical Agents (GBZ2.2-2007)*. We conducted tests at two separate locations distributed throughout the factory, and the results showed that all locations met the standard requirements.

Through a series of control measures, we provide a safe and healthy working environment for all employees.

Occupational Disease Prevention

We have formulated *Junma Employee Safety Manual, Occupational Safety and Health Regulations*, and *Environmental and Occupational Health and Safety Operation Control Procedures*. An Occupational Disease Prevention Team has been established to assess occupational health hazards and prepare hazard assessment reports.

Comprehensive occupational health and safety measures are implemented, including the distribution of safety helmets, protective gloves, protective clothing, earplugs, and other PPE based on job requirements. Occupational hazard notification cards are also provided to raise employees' awareness. During the reporting period, we invested RMB 5 million in occupational health and safety, covering employee health checkups, equipment upgrades, and PPE distribution.

Equipment and Facility Utilization Management	• We manage equipment and facilities according to the principle of "Three Designations and One Certificate," which requires the designation of specific personnel, machines, and operation instructions for each equipment, and the operation of equipment must be based on an equipment operationcertificate. • Regular supervision and inspections are conducted for equipment and facilities related to the prevention and control of occupationa hazards. • We standardize the selection, usage, maintenance, repair, and upgrading of relevant facilities.
Occupational Health Examinations	• Comprehensive pre-employment and on-the-job occupational health examinations are provided annually for all employees,targeting occupational health hazards such as noise, acid mist and anhydride, and other dusts.
Operator Qualification Management	• We ensure that operators of key equipment for the prevention and control of occupational hazards receive proper training. • Operation personnels should obtain equipment operation certificates before taking up positions.
Provision of Labor Protection Equipment	• We provide compliant protective equipment, including protective gloves, shoes, leg guards, aprons, glasses, heat-resistant clothing, and face shields.

In 2023, **854 employees** participated in occupational health examinations, achieving 100% coverage.[3]
No occupational diseases were reported among employees during the reporting period.

Third-Party Management

Our *Related Party Safety Management System* is in place to review suppliers' and contractors' safety qualifications. Only qualified suppliers are included in the approved list, and all contractors and suppliers undergo safety education and occupational hazard notification.

Contractors & Suppliers Management

Qualification Review	• Safety management rules and regulations, operating procedures establishment • Information on safety management organizations, primary responsible persons, and safety management personnel • Safety performance records • Development of safety plans • Operating licenses for special operations personnel
Contractor Training	• Conduct pre-entry safety education and training before entering the site, covering: characteristics of the work site, major hazards and emergency response measures, safety precautions for entering the site. • Maintain training records.
On-site Safety Management	• Contractors should provide facilities, equipment, and personal protective equipment that meet safety standards. • Contractors must accept on-site safety inspections and supervision.

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[3] Occupational health checkup includes pre-employment and in-employment checkups.

Highlights

Safety management agreements were signed with **64** external cooperation units.
No safety accidents occurred during external construction throughout 2023.

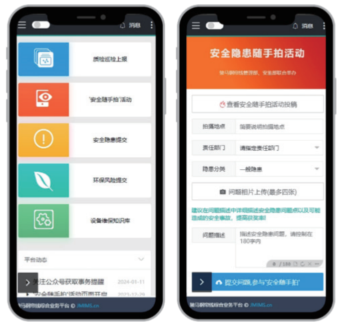
Complaints and Communication

To ensure effective reporting of occupational health and safety incidents, risks, and grievances, we have established the "JMIMS Platform," which facilitates the reporting of safety hazards, complaint registration, rectification supervision, and progress feedback.

JMIMS Platform

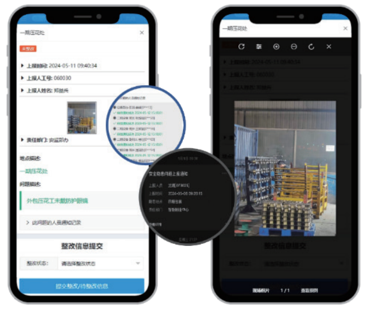
Hazard Reporting

- Employees can quickly report safety hazards via mobile devices.
- To raise safety awareness, we launched a "Safety in Your Hands" photo-taking campaign.
- Employees can categorize hazards, assign levels, and identify responsible departments.



Safety Snapshots, Rectification and Reporting

- Upon receiving complaints or reports, relevant departments investigate and rectify issues.
- Submit rectification status and photos, and provide timely feedback to employees.



Supervision and Tracking

- All reports and rectification progress are monitored in real-time.

Furthermore, the company organizes safety meetings monthly, including one safety session for middle management and above, one regular meeting for safety officers, and one safety session for each department. Additionally, an annual consultation meeting with employee representatives on safety matters is held to facilitate the reporting of safety hazards by employees, communicate and coordinate the management of significant safety hazards identified, formulate preventive measures and response strategies, and ensure effective prevention in work safety.

Safety Culture Construction

Employee Training

Our Safety Supervision Department regularly organizes safety education and training in the form of on-site lectures, video learning, etc., to comprehensively implement " Triple Safety Education " for all employees, thereby enhancing their awareness of work safety. New employees must undergo plant-level (company-level), workshop-level (department-level), and post-level (team-level) safety education before taking up their positions.

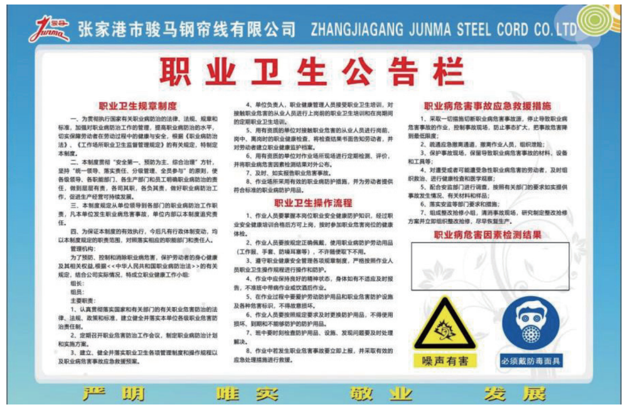
Safety Production Training

- Triple Safety Education
- Occupational health training for all employees
- Annual safety training for special types of work
- Monthly safety knowledge training for safety officers on dangerous work
- Quarterly safety training for middle-level cadres
- Annual safety
- Fujia special class training
- First aid knowledge and AED use training
- Workplace injury prevention training

Promotion of Safety Awareness

We have established occupational health bulletin boards and organized a safety knowledge competition for employees, enriching their occupation health knowledge.

Occupational Health Bulletin Board



张家港市骏马钢帘线有限公司 ZHANGJIAGANG JUNMA STEEL CORD CO.,LTD

职业卫生公告栏

职业卫生规章制度

职业卫生操作流程

职业病危害事故应急救援措施

职业病危害因素检测结果

噪声有害

必须戴防毒面具

严明 唯实 敬业 发展

Career Management

Our Goals

Qualitative Indicators

Reduce our employee turnover rate.

Quantitative Indicators	Goals	Performance in 2023
Percentage Of Employees Regularly Receiving Performance and Career Development Evaluations	100%	100%
Number of Specialized Employee Training Sessions	≥15	22

Career Development

Transparent and Open Recruitment Process

We adhere to equal employment principles and conduct public and transparent recruitment through both online and offline channels based on our *Annual Human Resource Demand Plan*. The recruitment process is communicated promptly to all applicants without discrimination based on gender, age, race, health status, or other factors.

Career Path Planning

With the belief that "talent is the primary factor," we have established *Rank, Salary, and Evaluation Management System*, outlining promotion criteria, procedures, production-based wages, seniority wages, quarterly bonuses, safety bonuses, evaluation methods, and performance appraisal methods.

Our *Job Rank and Promotion Path Chart* provides clear career development paths for all employees, offering both horizontal and vertical promotion opportunities based on employee preferences, performance evaluation results, and theoretical and practical skill test scores.

Career Development Path for Employees

a	**Management Personnels:**	Management Track: Clerk - Specialist - Administrator - Deputy Minister - Minister - Senior Management Workshop Track: Staff - Team Leader - Shift Leader - Administrator - Deputy Workshop Director - Workshop Director - Deputy Minister - Minister - Senior Management
b	**Technical Personnels:**	Technical Track: Assistant Technician - Technician - Assistant Engineer - Engineer - Deputy Chief Engineer - Chief Engineer

Career Development Mobility

We provide opportunities for internal job transferring based on employee preferences and transfer training to facilitate adjustments to suitable positions. Additionally, we engage in the re-employment of retired employees, enhancing career development mobility within the organization.

Performance Evaluation

We have formulated the *Rules and Regulations* to standardize the performance evaluation process. Fair, just, and transparent monthly and annual performance evaluations are conducted for all employees based on work attitude, operational skills, efficiency, and achievements. Evaluation results are tied to monthly salaries, promotions, and annual performance awards. Employees with poor performance evaluations may face demotion, transfer, additional training, or dismissal.

Evaluation Period	- Monthly Evaluate - Annual Evaluate	Results	- Have impacts on salary , positions changing, bonuses, etc.

Employee Retention

Regular employee turnover rate surveys are conducted, and annual targets are set for analyzing the reasons for employee departures, measures such as increasing daily wages, improving workshop environments, and reducing labor intensity to reduce turnover rates are accordingly implemented.

For non-fault-based terminations, we provide a 30-day pre-notice or an additional month's salary, as well as legal economic compensation payment, which can minimize the financial impact on employees.

Trainings

Centered on innovative talent management, we optimize our talent structure, establish a scientific, rational, and effective training system and talent development mechanism to enhance employees' overall capabilities, fostering mutual growth with our company.

Our *Personnel Training Management Procedure* tailors training content and methods for different departments and positions, offering regular and irregular general and professional skills trainings. Follow-up assessments are conducted to inform future training improvements and promote employees' comprehensive development.

Employee Training System

Internal Training

Contents

- Job Skills Operational
- Internal Instructor Skills
- 6S Management
- Company Rules And Regulations
- Product Quality and Safety
- Operation of Comprehensive Platform Developed by IMS
- Quality System
- Occupational Health System
- Environmental Management System
- Information Security Management System
- Energy Management System
- Emergency Disposal Training for Paint Storehouse Spillage and Leakage
- Emergency Response Plan Training on Power and Water Disconnection

External Training

External Training

- "Gold Medal Blue-Collar Foreman Management and Skills Training" with Municipal and Town Unions
- Vocational Skill Evaluation and Project-Based Training
- Advanced Technical Training in Metal Material Drawing Processes and Techniques

During the reporting period, we conducted a total of **57,105 hours** of training, achieving **100.00%** employee training coverage with an average of **23.5 hours** per employee.

Key Performance Indicators

79.09% of employees received job-related or skills training, an increase of **10.7391.42%** over 2022.
1,491 hours of internal training for non-new employees, an increase of **121 hours** compared to 2022.
9,057 person-times attended training and passed written exams.

Employee Rights and Benefits

Our Goals

Qualitative Indicators

Firmly oppose the employment of child labor, forced labor, discrimination, and harassment.
Conduct human rights training on anti-discrimination and anti-harassment for all employees.

Quantitative Indicators	Goals	Performance in 2023
Employee Satisfaction	≥86	87.975
Medical Insurance Contribution Rate	100%	100%
Union and Collective Contract Coverage	100%	100%

We adhere to laws and regulations such as *Labor Law of the People' s Republic of China and the Labor Contract Law of the People's Republic of China,* establish regulations covering compensation, dismissal, recruitment, promotion, working hours, leave, equity, diversity, anti-discrimination, etc.

Working Conditions

Wages

We have formulated the *Salary System*, adjusting the overall salary level in a timely manner based on factors such as the minimum wage standards issued by local government, the price level, competition of industry, etc. It ensures that all employees receive a living wage, ensuring that their annual salary exceeds the per capita disposable income of urban residents in Zhangjiagang.

We provide performance-based salary adjustments and rewards and implement the principle of distribution according to work and equal pay for equal work. The salary payment and growth mechanism is determined after consultation with employees. The Special Collective Wage Contract signed with all employees continuously optimizes the salary and benefits system.

Basic Salary

We annually conduct industry salary surveys and determine the salary level through equal consultations based on the company's economic growth, the government-issued wage guidelines, international wage indicators, and the average wage level of employees in the local region and industry.

Bonus Incentives

Bonus incentives are awarded based on employees' performance evaluation results and daily performance.
We also offer seniority pay, quarterly bonuses, safety bonuses, etc.

Working Hours Management

Working hours of our employees are calculated and arranged based on the national standard working hour system, with an average weekly working time not exceeding 40 hours, ensuring that employees have at least one day of rest per week. For employees who have to work overtime, overtime wages payment according to the corresponding standards is provided.

Holiday arrangement for employees on statutory holidays is stipulated by the state, as well as sick leave, personal leave, marriage leave, maternity leave, funeral leave, work-related injury leave, annual leave, parental leave, and paternity leave.

Welfare System

Basic Benefits	• We provide all employees with welfare subsidies, medical insurance, unemployment insurance, pension insurance, work-related injury insurance, maternity insurance, paid leave, position allowances, housing provident fund, and other benefits. • Labor protection equipment and related benefits are provided for employees according to their job position and type of work. • We also offer meal subsidies, gifts for Chinese traditional festivals, longevity pay,congratulations/condolences gifts, work uniforms, etc.
Dormitories	• We have invested hundreds of millions of yuan to build high-end apartments, which are served as domitories for all employees, with rental rates significantly lower than market prices.
Family Friendly Program	• We provide all employees with legal paid paternity leave and parental leave. • Paternity Leave: Male employees are entitled to 15 days of paternity leave upon the birth of their wife's child. • Parental Leave: Female employees are entitled to 1 hour of parental leave per day before their child's first birthday. • We contribute to maternity insurance. • Assigning tasks that are harmful to pregnant or lactating female employees, their fetuses, or infants is prohibited. • We provide family dormitories to facilitate employees' work-life balance.
Flexible Work Arrangements	• Compensatory time off has been arranged for employees who work overtime.

Furthermore, Junma Group, which is our parent company, has established an Employee Care Fund to provide continuous poverty alleviation and assistance to employee families suffering from natural disasters or misfortunes. It also offers condolences to employees hospitalized due to serious illnesses, implements subsidies for employees disabled due to work-related accidents, and ensures the quality of life for employees.

Compliant Employment

Our Goals

Qualitative Indicators

Gradually increase the proportion of female employees in management positions.

Narrow the pay gap between male and female employees and implement equal pay for equal work.

Quantitative Indicators	Goals	Performance in 2023
Percentage of Employees Who Have Received Diversity, Anti-Discrimination, and Anti-Harassment Training	100%	100%
Percentage of Workplaces that Have Undergone Human Rights Audits or Human Rights Impact Assessments	100%	100%
Percentage of Employees Covered by Labor Human Rights Policies	100%	100%
Incidents of Child Labor or Forced Labor	0	0
Incidents of Discrimination or Harassment	0	0

Child Labor and Forced Labor

We explicitly prohibit the employment of child labor and forced labor in our *Employee Handbook* and *Procedure for Prohibition of Child Labor and Forced Labor*, along with related training to ensure the effective dissemination of these policies. Periodic internal audits of these policies are conducted to ensure the compliance with the latest international and national human rights policies.

Our Initiatives

Prohibit Employment of Child Labor

Risk Assessment
We identify and assess the potential risks of child labor recruitment issues, such as failing to confirm employees' identity cards or failing to detect the use of fake identity cards by employees, etc.

Applicants' Identity Verification
During recruitment, we verify the age of applicants through valid documents such as identity cards and establish records. Only after verification is confirmed accurate will we proceed with the hiring process.

We conduct irregular spot checks on employee situations to prevent child labor from posing as existing employees.

Upon discovering the mis-hiring of child labor, we immediately cease the employment, settle all wages owed, escort them back to original residence under safe and healthy conditions, and deliver them to their legal guardians.

Prohibit Forced Labor

Risk Assessment
Identify and assess the risk values for forced labor risk items such as vague defination of employee rest time, compelling overtime work without employee consent, enforcing prolonged overtime, and denying overtime pay for overtime work where employees do not have the freedom to refuse.

Guarantee the Personal Freedom of All Employees
Prohibit any actions that involve illegal recruitment, transportation, transfer, or threatening violence for profit, thereby preventing incidents such as human trafficking and slavery.
Strictly prohibit physical abuse, corporal punishment, or threats of physical abuse against employees.

Ensurie that employees sign labor contracts with the company on an equal and voluntary basis.

Employees are free to leave the company after work and can take meals or breaks within the prescribed rest and work hours.

We have also developed systems to regulate the use of underage workers and special protection processes.

Conduct Risk Assessments » Assignment of Appropriate Work Intensity » Prohibition of Night Shifts and Overtime » Prohibition of Hazardous or Unhealthy Environments » Equal Pay for Equal Work with Adult Workers » Regularly Conduct Health Check-ups

Key Performance Indicators

We regularly monitor and audit recruitment compliance. In 2023, the company recorded:

0 incidents of child labor employment.

0 incidents of forced labor.

100% coverage of training related to child labor employment and anti-forced labor.

Anti-Discrimination and Anti-Harassment

We have formulated the *Regulations on Anti-Discrimination, Anti-Harassment*, and *Anti-Abuse and Labor Employment Management Regulations*, strictly prohibiting discrimination, harassment, or abusive behavior based on race, color, religion, gender, age, disability, sexual orientation, etc., during employee recruitment, job transfers, performance evaluations, training, and other processes. Additionally, security personnels are prohibited from using violence against employees or restricting their personal freedom.

By conducting training for all, we promote our employees' understanding on our anti-discrimination, anti-harassment, and anti-abuse policies and regulations.

During the reporting period, the company recorded 0 incidents of discrimination or harassment, with 100% coverage of training on preventing discrimination and human rights violations.

Diversity and Equal Opportunities

We are committed to providing equal employment opportunities for minorities and disadvantaged groups and have included special provisions for the protection of female employees in our collective agreements.

Key Performance Indicators

Total Number of Female Employees: **468**

Proportion of Female Employees: **19.26%**

Total Number of Female Employees in Management Positions: **2**

Proportion Of Female Employees in Management Positions: **3.45%**

Unadjusted Female Employee Salaries Account For **82.69%** of Male Employee Salaries

Number Of Ethnic Minority Employees in Management: **0**

We will continue to optimize the ethnic diversity of its management team.

Employment of Persons with Disabilities

Equal Opportunities

- We provide equal employment, promotion, and training opportunities for qualified disabled individuals who have passed physical examinations and skill tests, except for those with medical conditions prohibited by national regulations.

Labor Protection

- We provide appropriate working conditions and labor protection tailored to the characteristics of disabled employees.
- We modify workplaces, equipment, and living facilities to create convenient conditions suitable for disabled workers.

During the reporting period, we hold a total of **5** disabled employees, accounting for **0.18%** of the total workforce.

Protection for Female Employees

Equity	We do not reject or change the recruitment requirements for women except for unsuitable job types
Protection During Special Periods	We ensure that female employees receive proper rest, leave, and benefits during pregnancy, childbirth, and lactation periods. It is prohibited to dismiss, reduce salaries or positions, or assign prohibited tasks to female employees due to their marriage, pregnancy, childbirth, or lactation. We treat female employees' contraceptive surgery leave, prenatal examinations during pregnancy, maternity leave, and breastfeeding time during lactation as normal work hours and pay their wages accordingly. For female employees who cannot adapt to their original work during pregnancy, we reduce their workload or arrange other suitable positions. We contribute to maternity insurance.
Female Employee Representatives	We make an effort to gradually increase the proportion of female representatives in staff representative conferences. We involve representatives from the Female Committee of the labor union in formulating and revising rules and regulations related to women's rights and interests, participating in equal negotiations, and the entire process of signing collective contracts.

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[4] .The formula to calculate this indicator is the average salary of female employees as a percentage of average salary of male employees.

Protection for Female Employees

Equal Pay for Equal Work	We ensure that female employees receive equal labor rights and benefits, implementing equal pay for equal work. We closely monitorand analyze the salary gap between male and female employees to provide reasonalble compensation. uring the reporting period, the unadjusted salary gap between male and female employees was 27.86%, mainly due to differences in job types and positions. We will conduct internal job transfers and salary adjustments based on employees' wishes and professional abilities.
Health and Safety Assurance	We arrange at least one annual gynecological examination for female employees and cover the associated costs and time. We provide monthly hygiene products or allowances.

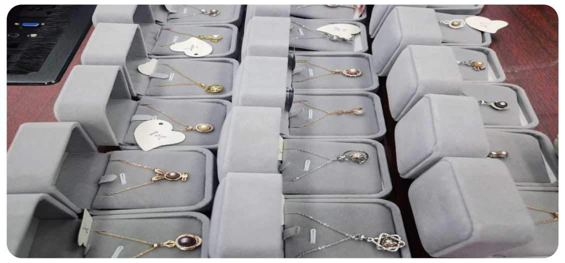
In addition, we offer diverse knowledge training and team-building activities specifically for female employees.

Women's Day Pearl DIY Activity

On the Women' s Day in 2023, we held a themed activity for female employees to DIY jewelry-making using pearls from opened mussels.

At the beginning of the event, our employees selected their preferred types of mussels and carefully sliced open the tightly closed shells. After soaking, polishing, and buffing, various exquisite rings, necklaces, bracelets, and brooches emerged.

Experiencing the process of opening mussels and DIY jewelry effectively released female employees' work stress, delighted their moods, nurtured their artistic tastes, and allowed them to appreciate the charm of jewelry. It also enhanced their physical and mental health, fostering a united, harmonious, and civilized corporate culture.



Female Health Knowledge Lectures

Female Employee Makeup and Charm Enhancement Activities

Reading Activitiess

Employee Information Confidentiality

We place great importance on the protection of employees' privacy and information security. Upon signing contracts with new hires, we include clauses specifically addressing employee privacy protection, and incorporate sessions on information and privacy security into the new employee trainings to ensure that our related policies and procedures are thoroughly communicated and understood.

Communication

Our Goals

Indicators	Value	Performance in 2023
Labor Union Coverage	100%	100%
Collective Contract Coverage	100%	100%
Percentage of Employees Represented by Staff Representatives	100%	100%

Two-Way Communication System

We strive to establish a transparent two-way communication system by organizing multi-level rationalization suggestion activities. We respect employees' freedom of association, encourage all our employees to take an active role in corporate management, and allow them to form and participate in labor unions, engage in collective bargaining, and other related activities legally.

Labor Union	Respect employees' rights to freely join or quit labor unions.
Collective Contract	Reach written agreements on matters such as health and safety, labor remuneration, working hours, rest and vacation, vocational training, insurance and welfare, gender equality, etc.
Workers' Congress	The Workers' Congress is responsible for democratic decision-making, management, and supervision. Regularly organize worker representatives to participate in the Workers' Congress. Strictly prohibit retaliation against worker representatives.
Mediation Committee	Mediating employee disputes on a voluntary and equal basis.
Employee Interviews	Conduct conversations with employees regarding workplace, colleague relationships, career development, etc., collect feedback from employees, and implement targeted improvements.
Satisfaction Surveys	Conduct satisfaction surveys twice a year to gauge employees' satisfaction with corporate management, corporate culture, compensation and benefits, work conditions, performance evaluation, personal development, etc. Analyze the results and make targeted improvements, such as issuing birthday vouchers, arranging schooling for employees' children, providing family domitories, optimizing the salary appraisal system, etc.

During the reporting period, the overall employee satisfaction score was **87.98%**.

In addition to the above channels, we also provide communication channels such as email, hotline, and suggestion mailboxes, as well as various forms of symposiums and exchange meetings on an irregular basis, and set up a dedicated section in the company's newsletter Junma Communications for employees to provide feedback, facilitating communication between leaders and grassroots employees.

Newsletter

《骏马通讯》通讯员业务知识培训讲座
骏马通讯
6 2023 总第 157 期

Grievance and Whistleblower Protection

We have publicly established transparent channels for grievances, encouraging employees to report incidents including child labor, discrimination, harassment, forced labor, and more.

Reporting Channels

Suggestion boxes are set up in prominent locations.
Directly report through labor union, Management Department, and general manager's office.
Contact with relevant departments through SMS, WeChat, email, or phone.
By face-to-face reporting.

Reporting Email: hankouzh@163.com
Reporting Hotline: 0512-58140915

We will conduct thorough and confidential investigations into employee complaints, ensuring the confidentiality of whistleblower information and protection against retaliation.

Upon receiving a report, relevant department personnel will immediately organize visits and investigations. Once substantiated, we will take disciplinary actions against the individuals involved in accordance with relevant policies, and provide feedback to the whistleblower on the investigation and handling results.

Employee Team Building

To enrich employees' leisure time, the company vigorously promotes various cultural, sports, and team-building activities.

The 2nd Annual NewYear's Cultural andSports Competition

Annual Internal Trainer Competition

Corporate Competition

Lantern Festival Celebrations

6

Environmental Sustainability

Environmental Management

Emission and Waste Management

Resource Management

GHG Emissions Management

Responding to Climate Change

Biodiversity

06 | Environmental Management

We conscientiously fulfill our environmental responsibilities, integrating the concept of green operations into product design, production operations, logistics, and transportation by continuously improving management, optimizing designs and processes, comprehensively utilizing energy and resources, reducing pollution at the source, minimizing or avoiding negative impacts on health and the environment throughout the product's lifecycle, striving to build an environmentally friendly industrial structure, and implementing low-carbon, sustainable environmental strategies.

Our Goals

Environmental Protection

Indicator	Value	Performance in 2023
Completion of Legal Disposal of Hazardous Waste	100%	100%
Acid/Alkali Leakages	0	0
Other Pollution Incidents	0	0
Fire Incidents	0	0
Major Environmental Safety Incidents	0	0
Qualified Rate of Treated Wastewater Discharge	100%	100%
Qualified Rate of Stormwater Drain Discharge Quality	100%	100%
Qualified Rate of Acid Mist Tower Exhaust	100%	100%
Qualified Rate of Natural Gas Exhaust	100%	100%
Reuse Rate of Treated Wastewater Discharge	70%	65%

Energy Management

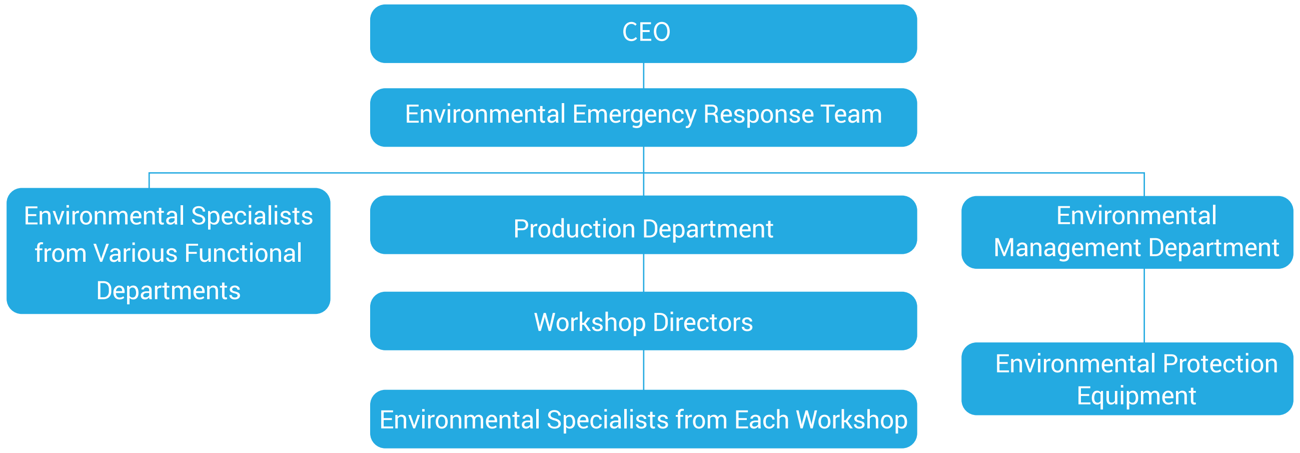
Steam Consumption Intensity	ton/ton product	0.27
Electricity Consumption Intensity	kWh/ton product	2032.76
Natural Gas Consumption Intensity	m^3/ton product	51.06

Environmental Management

Environmental Management System

Junma Steel Cord strictly adheres to relevant laws and regulations such as *Environmental Protection Law of the People's Republic of China*, and *Law of the People's Republic of China on Promoting Clean Production*, formulates internal management systems such as *Environmental Management Manual*, which adheres to the corporate environmental protection policy of "Implementing Comprehensive Pollution Control, Promoting Cleaner Production, Building a Green Junma, and Constructing a Harmonious Enterprise." We commit to respecting the land rights of the local communities where our company operates, implementing various environmental protection measures, fostering a strong sense of environmental protection, conducting in-depth environmental protection education and promotion, advocating scientific development concepts, strengthening corporate culture, and gradually forming a comprehensive environmental management system. We earnestly shoulder the social responsibility of environmental protection, promoting sustainable development in society, economy, and the environment.

We have established an environmental goal management system for all employees and partners and take feasible actions accordingly. Environmental responsibility indicators are conducted, which clarify the principle of "whoever is in charge is responsible; whoever takes the lead is responsible; managing production must involve environmental protection," with the operation mechanism of "in-charge responsibility system," ensuring the responsibilities are clearly defined and fulfilled vertically and horizontally.


CEO
Environmental Emergency Response Team
Environmental Specialists from Various Functional Departments
Production Department
Environmental Management Department
Workshop Directors
Environmental Protection Equipment
Environmental Specialists from Each Workshop

Environmental Management Organizational Structure

Goals and Policies

Goals	Policies
98% Operational Efficiency of Environmental Protection Equipment	• Conduct inspections before putting into operation according to relevant regulations and procedures. Only after passing the acceptance inspection can equipment be put into operation. • Establish relevant indicators for the management and operation of production equipment in the workshops, ensure simultaneous operation of environmental protection equipment and production equipment. • Strictly control process indicators during the operation, enforce various disciplines and operating procedures, and incorporate them into performance evaluations. • Establish and report detailed accounts of the operation and maintenance of environmental protection equipment in each workshop. • Environmental protection equipment cannot be stopped arbitrarily. If shutdown is required due to planned maintenance, it must be reported and approved.

100%
Comprehensive Disposal Rate of Solid Waste

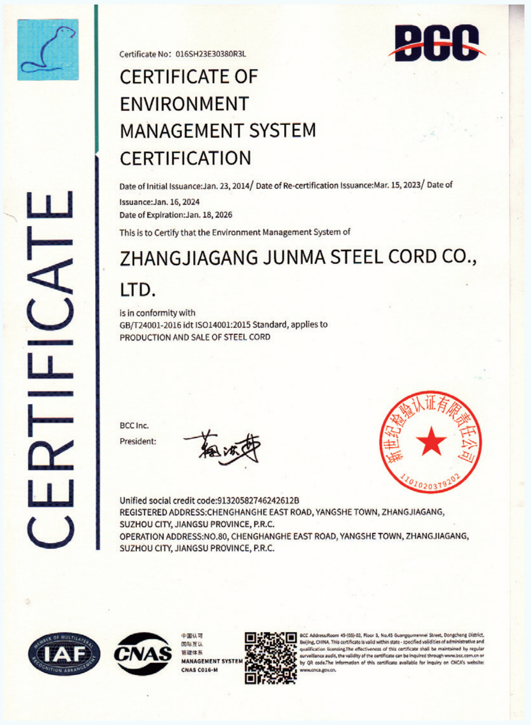
100%
Compliance with Noise and Pollutant[6] Emission Standards on the Factory Premises

100%
Recycling and Compliant Discharge of Wastewater

0
Major or Catastrophic Environmental Pollution Accidents

- Strengthen technical management of existing production and environmental protection equipment, maximize resource utilization, and continuously reduce pollutant emissions.
- Ensure that environmental protection equipment is put into operation timely during production. The safety department should establish regular and irregular inspection systems.
- The environmental management department is responsible for technical renovation plans for environmental protection equipment and submits them to company leaders for approval and implementation.
- Each workshop is responsible for taking effective measures to treat pollutants such as wastewater, exhaust gas, and waste residue within its jurisdiction to ensure legal and compliant management and control.
- Each workshop optimizes management of environmental protection equipment and adheres to regular inspections.
- Formulate and implement *Process Monitoring and Measurement Control Procedure.*
- Conduct trainings to raise the awareness of all employees towards environmental protection work.
- Establish a comprehensive environmental pollution emergency response system, formulate and implement *Emergency Response Plan for Sudden Environmental Events*.

By the end of the reporting period, we had been ISO 14001:2015 Environmental Management System certified.



CERTIFICATE

Certificate No: 016SH23E30380R3L

CERTIFICATE OF ENVIRONMENT MANAGEMENT SYSTEM CERTIFICATION

Date of Initial Issuance:Jan. 23, 2014/ Date of Re-certification Issuance:Mar. 15, 2023/ Date of Issuance:Jan. 16, 2024

Date of Expiration:Jan. 18, 2026

This is to Certify that the Environment Management System of

ZHANGJIAGANG JUNMA STEEL CORD CO., LTD.

is in conformity with GB/T24001-2016 idt ISO14001:2015 Standard, applies to PRODUCTION AND SALE OF STEEL CORD

BCC Inc.
President:

1101020379202

Unified social credit code:91320582746242612B
REGISTERED ADDRESS:CHENGHANGHE EAST ROAD, YANGSHE TOWN, ZHANGJIAGANG, SUZHOU CITY, JIANGSU PROVINCE, P.R.C.
OPERATION ADDRESS:NO.80, CHENGHANGHE EAST ROAD, YANGSHE TOWN, ZHANGJIAGANG, SUZHOU CITY, JIANGSU PROVINCE, P.R.C.

中国认可
国际互认
管理体系
MANAGEMENT SYSTEM
CNAS C016-M

BCC Address:Room 45-(05)-02, Floor 5, No.45 Guangqumennei Street, Dongcheng District, Beijing, CHINA. This certificate is valid within state-specified validities of administrative and qualification licensing.The effectiveness of this certificate shall be maintained by regular surveillance audit, the validity of the certificate can be inquired through www.bcc.com.cn or by QR code.The information of this certificate available for inquiry on CNCA's website: www.cnca.gov.cn.

ISO 14001 Certification

During the reporting period, the company timely paid full environmental taxes and fees in accordance with *Environmental Protection Tax Law of the People's Republic of China*. There were no sudden environmental risk incidents, no environmental violations, and no relevant administrative penalties imposed by the competent authorities.

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[6] .Pollutants include water, gas, noise and sludge.

Environmental Emergency Management

To enhance our response capability to sudden environmental incidents, we establish a sound emergency response mechanism as well as comprehensive environmental monitoring and hazard identification mechanisms. Based on relevant laws such as *National Emergency Plan for Environmental Incidents and Guidelines for Preparing Emergency Response Plans for Environmental Incidents in Enterprises, Institutions, and Industrial Parks*, we have compiled our own *Emergency Response Plan for Environmental Incidents, Emergency Response Plan for Sulfuric Acid Leakage, and Emergency Response Plan for Natural Gas Leakage*, which standardize and guide emergency rescue actions in response to sudden environmental accidents. Meanwhile, we regularly organize internal publicity, training, annual emergency drills, and evaluations to continuously improve employees' awareness of environmental emergencies.

Emission and Waste Management

Our Goals

Indicator	Value	Performance in 2023
Completion Rate of Legal Disposal of Hazardous Waste	100%	100%
Acid/Alkali Leakages	0	0
Other Pollution Incidents	0	0
Fire Incidents	0	0
Major Environmental Safety Incidents	0	0
Qualification Rate of Treated Sewage Discharge	100%	100%
Qualification Rate of Stormwater Drain Discharge	100%	100%
Qualification Rate of Acid Mist Tower Exhaust	100%	100%
Qualification Rate of Natural Gas Exhaust	100%	100%
Reuse Rate of Treated Sewage after Discharge	70%	65%

We consistently adhere to *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 corresponding environmental protection standards. By tightly controlling emissions of waste gas, wastewater, solid waste, and noise generated during production and operation, we ensure the emissions are in compliance with regulations. In accordance with emission permits, we have formulated a self-monitoring plan and conduct regular self-monitoring accordingly, which is timely disclosed on public platforms for review by the public and relevant authorities. During the reporting period, our pollutant emission levels and total emissions are within the national emission limits, ensuring that both the concentration and total volume of pollutant emissions met legal standards.

Requirements and Handling Methods for Emission and Waste Management

Wastewater		• Types: Production wastewater (washing and quenching wastewater, tailwater from acid mist treatment, flushing wastewater, wastewater from rinsing around spent baths, pretreated wastewater from phosphate washing spent baths, pretreated wastewater from emulsified liquids, tailwater from deep purification units, etc.) and domestic sewage. • Treatment: Production wastewater is collected and treated until meeting standards in the plant's sewage treatment station before discharge; domestic sewage is connected to Junma Group's domestic sewage collection pool. • Monitoring Indicators: Chemical Oxygen Demand (COD), Suspended Solids (SS), Ammonia Nitrogen (NH3-N), pH, Total Phosphorus (TP), Total Nitrogen (TN), Total Copper (Cu), Total Zinc (Zn), Total Iron (Fe), Total Aluminum (Al), Petroleum. • Pollution Prevention Measures: For production wastewater, it is treated through following method to ensure compliant discharge: 1. Pretreated along with treatment through metal tubular separator, nanofiltration membrane and concentration unit; 2. Treated by direct addition of alkali solution; 3. Circularly used after filtering spent baths at the edges. For domestic sewage, it is treated separately, rainwater and wastewater are diverted. Online monitoring devices are installed at rainwater and wastewater discharge outlets.
Exhaust		• Types of Emission: Copper sludge, waste sulfuric acid, waste hydrochloric acid, waste phosphoric acid, heavy oil, electroplating sludge, waste film, waste emulsified liquid, laboratory residual liquid, and packaging materials. • Disposal Method: Entrust those with disposal qualification to conduct non-hazardous treatment. • Pollution Prevention Measures: Establish hazardous waste storage rooms with epoxy-coated floors to effectively prevent leakage into the soil, display hazardous waste warning signs in compliance with environmental regulations. • Detection Indicators: Organized particulate matter, sulfur dioxide, nitrogen oxides, hydrochloric acid mist, sulfuric acid mist • Pollution Prevention and Control Measures: By utilizing a sludge drying spray exhaust tower, installing covers on the pickling tanks with acid mist exhaust ports that direct the generated hydrogen chloride waste gas into an acid mist scrubbing system, and setting up capture hoods on hydrochloric acid storage tanks to channel the hydrogen chloride waste gas into the acid mist scrubbing system, the emissions are treated and discharged in compliance with standards.
Solid Waste	Hazardous Waste	• Types of Emission: Pickling exhaust gas, sludge drying exhaust gas, natural gas combustion exhaust gas, and fugitive emissions • Treatment: Pickling exhaust gas, sludge drying exhaust gas, and fugitive emissions are collectively collected and treated to meet standards before discharge; natural gas
	General Solid Waste	• Types of Emission: Waste iron filings, waste drawing powder, waste steel wire, waste packaging materials, waste plastic, and domestic waste. • Disposal Method: Domestic waste is cleared and transported by the environmental sanitation department, while other general solid waste is outsourced to qualified units. • Pollution Prevention Measures: Sorting, collection, and safe storage of waste.
Factory Boundary Noise		• Types of Emission: Noise generated from the operation of equipment such as drawing machines, stranding machines, screw-type compressors for air compressors, fans, and air conditioners. • Pollution Prevention Measures: Implement preventive measures including vibration reduction, noise elimination, building insulation, and distance attenuation to ensure that noise emissions at the factory boundary legally.

Exhaust

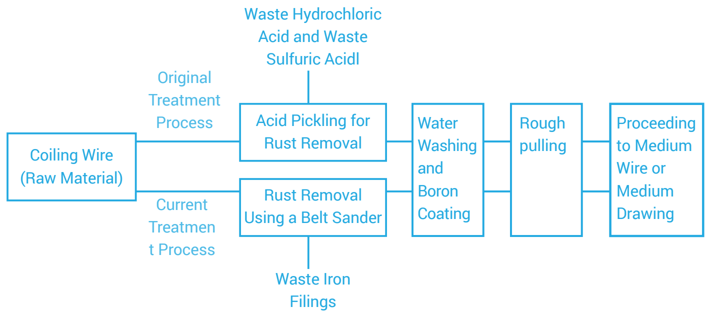
In terms of exhaust gas management, the company strictly adheres to the provisions of the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*. In accordance with the explicit requirements of the *Pollutant Discharge Permit*, and based on the *Emission Standards for Air Pollutants from Industrial Kilns and Furnaces (DB 32/3728-2020)*, the *Integrated Emission Standard of Air Pollutants (DB 32/4041-2021)*, and the *Emission Standard for Odor Pollutants (GB 14554-93)*, the company exercises rigorous supervision and control over the generation and emission of exhaust gases.

Indicator	Unit	Performance in 2021	Performance in 2022	Performance in 2023
Total Emissions	10,000 m³	69,468.84	68,542.83	63,848.94
Particulate Matter Emissions	kg	1,622.37	1,955.73	2,192.43
Sulfur Dioxide Emissions	kg	0.00	0.00	1.08
Nitrogen Oxides Emissions	kg	8,159.22	8,076.39	7,295.16
Sulfuric Acid Mist Emissions	kg	62.73	27.30	24.84
Hydrochloric Acid Mist Emissions	kg	674.16	868.77	411.72

To minimize the impact of our production operations on the surrounding environment, we continuously upgrade our modern exhaust gas treatment technologies and facilities, thereby enhancing the efficiency of exhaust gas treatment. We plan to further explore new strategies and technologies for reducing exhaust gas emissions, and while managing emissions, we will focus on reducing the generation of exhaust gases during the production process.

Improvements in Exhaust Gas Treatment Processes

By transforming some pre-treatment lines from acid pickling for rust removal to sand belt machines for rust removal, the use of acid pickling has been eliminated, significantly reducing emissions of exhaust gas pollutants such as hydrogen chloride and sulfuric acid mist. It is estimated that hydrogen chloride emissions will be reduced by 0.519 tons annually, and sulfuric acid mist emissions by 0.43 tons annually.


Waste Hydrochloric Acid and Waste Sulfuric Acidl
Original Treatment Process
Coiling Wire (Raw Material)
Acid Pickling for Rust Removal
Rust Removal Using a Belt Sander
Current Treatmen t Process
Waste Iron Filings
Water Washing and Boron Coating
Rough pulling
Proceeding to Medium Wire or Medium Drawing

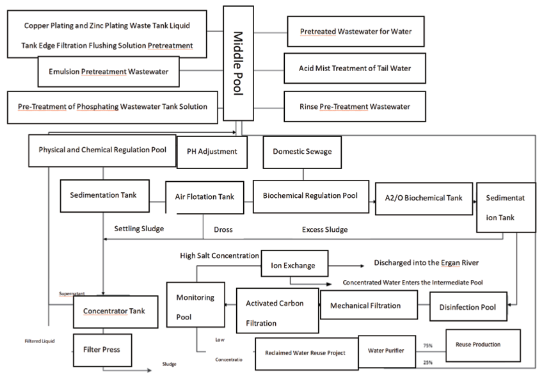
By replacing natural gas heating with electric heating, we have reduced natural gas consumption by 148,500 m³ per year, nitrogen oxide emissions by 0.0817 tons per year, sulfur dioxide emissions by 0.0148 tons per year, and smoke and dust emissions by 0.0198 tons per year.

Wastewater

In terms of wastewater treatment, we adhere to the regulations set forth in *Emission Limits of Major Water Pollutants from Urban Sewage Treatment Plants and Key Industrial Sectors in the Taihu Lake Region (DB 32/1072-2018), Emission Standard of Pollutants for Electroplating (GB 21900-2008), and Integrated Wastewater Discharge Standard (GB 8978-1996).*

Improvements in Wastewater Treatment Processes

Our production wastewater treatment processes encompass emulsified liquid pretreatment, rinsing water, washing wastewater, acid mist treatment, phosphating fluid treatment, and treatment of waste liquid containing copper and zinc. In 2023, we underwent technological upgrades in waste emulsified liquid treatment by installing a set of waste emulsified liquid pretreatment membrane, NF membrane and supporting facilities, achieving an annual treatment cost of approximately 160 yuan per ton of waste emulsified liquid (including heavy oil disposal), a 33.3% reduction compared to before the upgrades. Additionally, membrane equipment was installed to enhance the recovery rate of phosphoric acid, including diluting and reusing tailings after the primary recovery process, significantly reducing the amount of waste phosphoric acid entering wastewater treatment.


Copper Plating and Zinc Plating Waste Tank Liquid Tank Edge Filtration Flushing Solution Pretreatment
Emulsion Pretreatment Wastewater
Pre-Treatment of Phosphating Wastewater Tank Solution
Middle Pool
Pretreated Wastewater for Water
Acid Mist Treatment of Tail Water
Rinse Pre-Treatment Wastewater
Physical and Chemical Regulation Pool
PH Adjustment
Domestic Sewage
Sedimentation Tank
Air Flotation Tank
Biochemical Regulation Pool
A2/O Biochemical Tank
Sedimentat ion Tank
Settling Sludge
Dross
Excess Sludge
High Salt Concentration
Ion Exchange
Discharged into the Ergan River
Concentrated Water Enters the Intermediate Pool
Supernatant
Concentrator Tank
Monitoring Pool
Activated Carbon Filtration
Mechanical Filtration
Disinfection Pool
Filtered Liquid
Filter Press
Sludge
Low Concentratio
Reclaimed Water Reuse Project
Water Purifier
75%
25%
Reuse Production

Sewage Treatment Process Flow Chart

Recycling of Waste Emulsified Liquid

Based on ensuring compliant discharge of waste emulsified liquid, we initiated the design of a recycling plan in the second half of 2023, completed all facility installations, and put them into production in the first half of 2024. This has achieved full internal recycling of wastewater with no external discharge.

Our waste emulsified liquid treatment system comprises a waste emulsified liquid collection tank, pretreatment membrane units (2 sets of separation membranes + 2 sets of concentration membranes), a re-concentration unit (heat pump low-temperature evaporation equipment + steam low-temperature evaporation scraper crystallizer), a clean water oil separation system, wastewater purification and reuse membrane equipment, and a purified water collection and utilization system (cooling tower).

We pre-treat and concentrate the wastewater through the pretreatment membrane. The filtrate and membrane rinse water generated from the pretreatment membrane are discharged into the waste emulsified liquid treatment clear water comprehensive collection tank. The resulting concentrated liquid enters the heat pump low-temperature evaporation equipment of the evaporation system for pre-concentration, followed by re-concentration in the steam low-temperature evaporation scraper crystallizer. During this process:

- Hot air is cooled into condensate, which is then treated by the oil separation system and fed into the waste emulsified liquid treatment clear water comprehensive collection tank. It is then transported to the wastewater purification and reuse membrane equipment for reuse based on the tank's liquid level.
- The generated filtrate is discharged to the water purification membrane effluent tank in the water production workshop and transported to the designated cooling tower.
- The generated concentrated liquid is discharged back to the waste emulsified liquid collection tank for cyclic treatment.
- The discharge water from the cooling tower is drained into the waste emulsified liquid collection tank.
- The concentrated liquid produced by the low-temperature evaporation system is classified as hazardous waste - heavy oil HW08 and disposed of by a qualified unit.
- The system operates at low-temperature evaporation (temperature ≤ 55°C), generating no external exhaust gas.
- The noise levels of all system equipment comply with industrial noise prevention requirements.

Recycled Water Reuse Project

Junma Group Wastewater Treatment Plant's Tailwater Recycling Project utilizes the tailwater discharged from the Zhangjiagang No.1 Wastewater Treatment Plant. Employing a regeneration treatment process dominated by "ultrafiltration + reverse osmosis" process, the purified tailwater meets production requirements and is reused in Junma Tyre Cord Co. Limited and Junma Steel Cord. Each year, this project utilizes 7.5 million m3 of tailwater from the Zhangjiagang No.1 Wastewater Treatment Plant, conserving 5.5 million m3 of water resources and reducing water pollutant emissions by 250 tons, including 128 tons of chemical oxygen demand, 20 tons of biochemical oxygen demand, 2 tons of ammonia nitrogen, 2 tons of total phosphorus, and 103 tons of total nitrogen. This generates water-saving benefits of 3 million yuan, serving as a demonstration for wastewater recycling and reuse in the Taihu Lake Basin, alleviating water environmental pressures, and achieving a harmonious balance.

Indicator	Unit	Performance in 2021	Performance in 2022	Performance in 2023
Domestic Effluent Discharge	m^3	211,500.00	216,900.00	484,151.00
Production Wastewater Discharge	m^3	564,922.00	451,794.00	700,686.00
Chemical Oxygen Demand (COD)	ton	10.90	9.03	9.24
Total Copper	kg	0.69	0.70	0.00
Total Zinc	kg	1.67	1.61	0.00
Total Nitrogen	ton	4.29	3.59	6.56
Ammonia	kg	66.89	36.94	34.00
Total Phosphorus	kg	77.49	68.34	22.00

Solid Waste

For the solid waste generated in our daily operations, we reduce the usage of raw and packaging materials by upgrading equipment and improving process flows, thereby minimizing waste production at the initial stage. Additionally, we implement classified waste collection to identify and separate waste with potential reuse value, enabling its recycling or sale to other enterprises that can utilize these resources.

Regarding hazardous waste, we adhere to the principles of "centralized collection, orderly storage, centralized treatment, and risk elimination," and entrust qualified professional institutions to handle the safe transportation and disposal of these hazardous wastes to achieve reduction, resource recovery, and harmless treatment of hazardous waste. *Following the requirements of Standard for pollution control on the non-hazardous industrial solid waste storage and landfill (GB 18599-2020)* and *Standard for Pollution Control on Hazardous Waste Storage" (GB 18597-2023)*, we have established specialized waste storage facilities equipped with anti-corrosion and anti-leakage measures to ensure environmental safety. At the same time, we have developed the Hazardous Waste Management System, which mandates detailed recording and management of data for all processing stages.

Hazardous Waste Warehouse

General Industrial Solid Waste Warehouse

Indicator		Unit	Performance in 2021	Performance in 2022	Performance in 2023
General Industrial Solid Waste Generation/Transfer Volume	Scrap Iron (Scraps)	ton	1,447.67	1,694.89	1,576.99
	Waste Drawing Powder	ton	383.44	236.00	296.60
	Waste Steel Wire	ton	2,895.56	2,563.84	6,505.28
	Waste Packaging Boxes	ton	864.51	780.66	1,736.52
	Waste Plastic	ton	121.12	183.34	113.30
Hazardous Waste Generation/Transfer Volume	Copper Sludge	ton	389.16	247.48	271.90
	Waste Sulfuric Acid	ton	3,997.31	3,878.78	4,297.20
	Waste Hydrochloric Acid	ton	7,405.79	6,103.30	7,351.90
	Waste Phosphoric Acid	ton	3,862.01	4,263.93	4,469.46
	Heavy Oil	ton	657.23	674.41	709.00
	Electroplating Sludge	ton	2,129.49	1,896.01	1,958.40
	Waste Film	ton	0.20	0.00	0.00
	Waste Emulsion	ton	15,639.10	16,152.82	18,997.20
	Laboratory Residual Liquids and Packaging Materials	ton	28.11	64.06	119.70

Noise Management

We follow the *Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)* to identify, manage, and control noise sources within the factory. By regularly maintaining production facilities and related equipment and giving preference to low-noise or noiseless equipment to fundamentally reduce noise generation, we are committed to ensuring that all operational activities do not impact the surrounding environment or residents' health or safety. Moreover, we enforce a no-horn policy for vehicles within the factory area and minimize noise emissions through vibration reduction, sound elimination, architectural sound insulation, and distance attenuation, thereby providing a quieter working and living environment for employees and nearby community residents.

Resource Management

Our Goals

Indicator	Target towards 2030	Performance in 2023
Electricity Consumption Intensity	1894.67	2032.76
Steam Consumption Intensity	0.25	0.27
Natural Gas Consumption Intensity	47.59	51.06

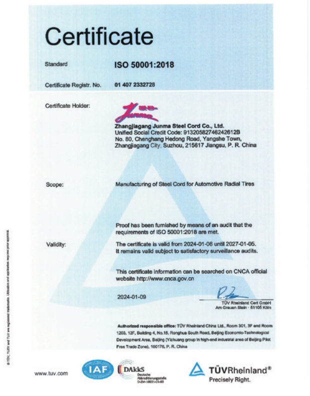
Material Management

We strive to reduce material loss and improve its efficiency in the production process. To this end, we continuously explore methods for resource recycling and reuse. We actively investigate the recycling of raw and auxiliary materials and have already achieved preliminary recycling of coil packaging with our partners. In 2023, a total of 5,900 pieces of packing cloth were recycled from various workshops, with 5,400 pieces sent to partners for reuse; additionally, we achieved complete recycling of desiccants and iron supports, recycling 10,878,951 I-wheels at a rate of 99.38%; 1,025,384 spacers at a recycling rate of 93.08%; 153,217 plastic supports at a rate of 90.47%; 62,702 wooden supports at a rate of 82.44%; and 75,109 finished product cartons at a rate of 24.58%. In the future, we will expand resource conservation to more raw and auxiliary materials based on our existing recycling experience.

Coil Packaging Recycling

Energy Management

We actively establish and optimize our energy management system and have formulated policies such as *Energy Production Management System*. Continuously promoting the development of energy management towards intelligence and digitalization by implementing intelligent energy management systems, we facilitated the company's energy management transition towards low carbon. Specific targets for energy use are set annually. The main energy sources relied upon in the company's production and operations include electricity, thermal steam, natural gas, and diesel. During this reporting period, the company successfully achieved ISO 50001 Energy Management System certificated.



Certificate

Standard ISO 50001:2018

Certificate Registr. No. 01 407 2332728

Certificate Holder: Zhangjiagang Junma Steel Cord Co., Ltd.
Unified Social Credit Code: 91320582746242612B
No. 80, Chenghang Hedong Road, Yangshe Town,
Zhangjiagang City, Suzhou, 215617 Jiangsu, P. R. China

Scope: Manufacturing of Steel Cord for Automotive Radial Tires

Proof has been furnished by means of an audit that the requirements of ISO 50001:2018 are met.

Validity: The certificate is valid from 2024-01-06 until 2027-01-05. It remains valid subject to satisfactory surveillance audits.

This certificate information can be searched on CNCA official website http://www.cnca.gov.cn

2024-01-09

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

Authorized responsible office: TÜV Rheinland China Ltd., Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

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ISO 50001 Energy Management System Certification Certificate

Energy-Saving Renovation

By replacing high-pressure and high-energy-consuming screw compressors with medium-pressure centrifugal air compressors powered by compressed air, we can achieve a comprehensive electricity consumption per unit from 0.125 kWh/m³ (during January 1 to September 14) to about 0.115 kWh/ m³ (during September 15 to December 31), which has an 8% decrease compared to 2022.

By reusing the waste heat from the exhaust gases of heat treatment furnaces for steam, we can effectively reduce the use of natural gas. Further reduction of steam consumption can be achieved by optimizing the waste emulsion liquid treatment process. In 2023, the company's steam consumption reached 0.273 tons/ton of finished product, a 14.7% decrease compared to 2022.

For the wet drawing workshop of steel cord, the original three-phase asynchronous motor and frequency conversion control cabinet were replaced with permanent magnet synchronous motors & Anchi integrated machines. Since the integrated machine uses soap liquid cooling to share the rectification part, it further reduces power consumption. After the energy-saving renovation of the water tank drawing machine with the original machine power of 22KW was completed, the single-unit energy saving rate was 5.7%, saving 43.3 kWh of electricity per ton of product. In 2023, 96 wet drawing workshop permanent magnet synchronous & Anchi integrated machine renovations were completed. The use of permanent magnet motors enables efficient energy conversion during operation, improving motor efficiency and achieving energy-saving goals.

Indicator	Unit	Performance in 2021	Performance in 2022	Performance in 2023
Total Electricity Consumption (Including Photovoltaic Power Generation)	10,000 kWh	51,779.71	51,923.04	60,222.89
Photovoltaic Power Generation[7]	10,000 kWh	216.00	214.34	3,631.59
Electricity Consumption Intensity	kWh/tons of production	2,065.60	2,085.00	2,040.06
Electricity Consumption per Unit Area	kWh/m³	719.16	720.33	836.42
Natural Gas Consumption	m³	12,089,087.00	11,317,767.00	13,577,339.00
Electricity Consumption per Unit Output	m³/10,000 yuan	55.43	52.33	51.95
Natural Gas Consumption Per Unit Area	m³/ m²	16.79	15.72	20.94
Steam Consumption	ton	95,180.00	77,915.00	81,275.00
Disel Consumption	liter	156,406.00	165,752.00	188,113.80
Renewable/Clean Energy Usage Ratio	%	0.42	0.41	6.03

[7] Our photovoltaic power generation projects began to come on line extensively at the end of 2022, resulting in significantly higher PV power consumption figures in 2023.

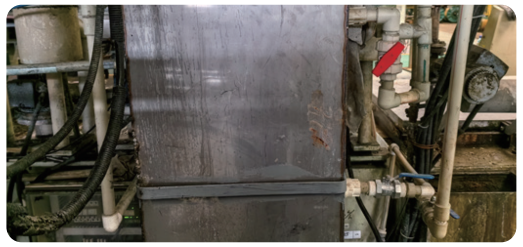
Water Management

We have fully recognized the critical role of water resources in sustainable development, thus strictly adhered to *Water Law of the People's Republic of China*, and have established a comprehensive and efficient water resource management framework, formulating a series of management policies including *Water Use Management System and Factory Water Resource Management Regulations*.

We regularly evaluate water use practices within the factory area and implement targeted water conservation measures based on these evaluations. Additionally, a dedicated department—the Public Utilities Department—is responsible for periodically collecting water usage data from various workshops and equipment within the factory area, as well as overseeing and supervising the effective implementation of water-saving measures. In recent years, according to actual production needs, our company has actively adopted several water-saving technological improvements, such as using reclaimed water RO production to replace tap water purified water in the front workshop.

Minimize the Consumption of Tap Water

By replacing tap water purified water in the front workshop with reclaimed water RO production and reusing steam condensate from the electroplating process, the company's per-ton product consumption of tap water dropped to 0.52504 cubic meters/ton in 2023, a year-on-year decrease of 4345%, with an estimated annual saving of about 300,000 yuan.。

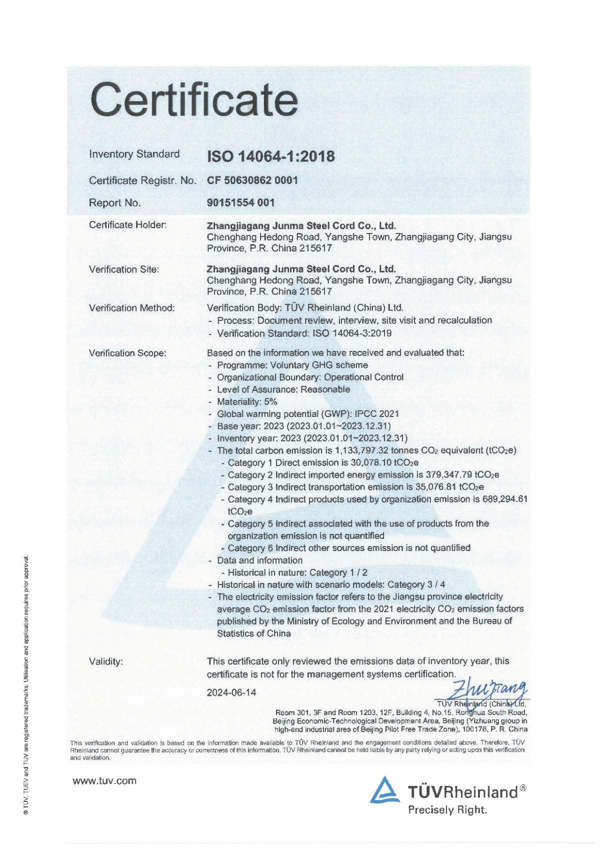


Indicator	Unit	Performance in 2021	Performance in 2022	Performance in 2023
Total Water Consumption	ton	242,755.00	228,860.00	148,896.00
Water Consumption Intensity	ton/tons of production	0.97	0.92	0.504
Water Recycling Volume	m³	1,702,311.00	1,786,506.00	2,166,162.00
Water recycling utilization rate	%	69.83	78.18	73.97

GHG Emissions Management

Referring to the GHG Protocol and ISO 16064-1:2018 requirements, we regularly conduct compromise-wide greenhouse gas accounting, and entrusts a third-party organization to independently verify the accounting results.

We have completed the GHG accounting and verification for 2023. Based on the accounting results, we analyze and summarize the emission trends and reasons for changes, promptly summarizing and providing directions for the next steps in GHG emission management.



Certificate

Inventory Standard **ISO 14064-1:2018**
Certificate Registr. No. **CF 50630862 0001**
Report No. **90151554 001**

Certificate Holder: **Zhangjiagang Junma Steel Cord Co., Ltd.**
Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617

Verification Site: **Zhangjiagang Junma Steel Cord Co., Ltd.**
Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617

Verification Method: Verification Body: TÜV Rheinland (China) Ltd.
- Process: Document review, interview, site visit and recalculation
- Verification Standard: ISO 14064-3:2019

Verification Scope: Based on the information we have received and evaluated that:
- Programme: Voluntary GHG scheme
- Organizational Boundary: Operational Control
- Level of Assurance: Reasonable
- Materiality: 5%
- Global warming potential (GWP): IPCC 2021
- Base year: 2023 (2023.01.01~2023.12.31)
- Inventory year: 2023 (2023.01.01~2023.12.31)
- The total carbon emission is 1,133,797.32 tonnes CO_2 equivalent (tCO_2e)
  - Category 1 Direct emission is 30,078.10 tCO_2e
  - Category 2 Indirect imported energy emission is 379,347.79 tCO_2e
  - Category 3 Indirect transportation emission is 35,076.81 tCO_2e
  - Category 4 Indirect products used by organization emission is 689,294.61 tCO_2e
  - Category 5 Indirect associated with the use of products from the organization emission is not quantified
  - Category 6 Indirect other sources emission is not quantified
- Data and information
  - Historical in nature: Category 1 / 2
- Historical in nature with scenario models: Category 3 / 4
- The electricity emission factor refers to the Jiangsu province electricity average CO_2 emission factor from the 2021 electricity CO_2 emission factors published by the Ministry of Ecology and Environment and the Bureau of Statistics of China

Validity: This certificate only reviewed the emissions data of inventory year, this certificate is not for the management systems certification.

2024-06-14

Zhujiang
TÜV Rheinland (China) Ltd.
Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road,
Beijing Economic-Technological Development Area, Beijing (Yizhuang group in
high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

This verification and validation is based on the information made available to TÜV Rheinland and the engagement conditions detailed above. Therefore, TÜV Rheinland cannot guarantee the accuracy or correctness of this information. TÜV Rheinland cannot be held liable by any party relying or acting upon this verification and validation.

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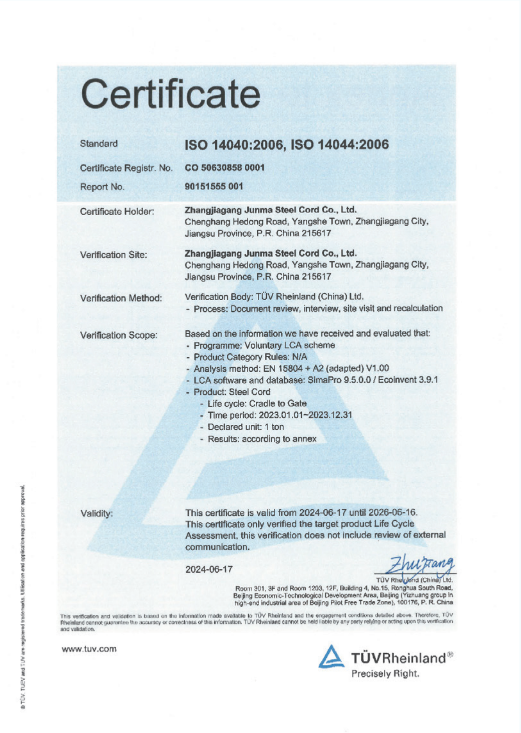
Greenhouse Gas Verification Certificate

Indicator	Unit	Performance in 2022	Performance in 2023
Total GHG Emissions	tCO2 e	943,069.43	1,133,797.32
Scope 1	tCO2 e	25,838.58	30,078.10
Scope 2	tCO2 e	323,476.25	379,347.79
Scope 3	tCO2 e	593,754.60	724,371.42
GHG Emission Intensity	tCO2 e/tons of production	3.79	3.84

GHG Emissions

We regularly conduct product carbon footprint accounting for steel cord, which is our main product, to annually track, monitor, and analyze the trends in product carbon footprint changes. This allows us to summarize our previous production and operations work while seeking directions for continuous improvement in subsequent actions.

In 2022, we conducted product carbon footprint accounting for our main product, steel cord, in accordance with ISO 14067:2018. In 2023, we performed a full life cycle assessment (LCA) of the steel cord product following ISO 14040:2006 and ISO 14044:2006, expanding the calculation dimensions from climate change to include acidification, particulate matter, land use, and more. This helps us to more comprehensively understand the environmental impact of our products.



Certificate

Standard **ISO 14040:2006, ISO 14044:2006**
Certificate Registr. No. **CO 50630858 0001**
Report No. **90151555 001**

Certificate Holder: **Zhangjiagang Junma Steel Cord Co., Ltd.**
Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617

Verification Site: **Zhangjiagang Junma Steel Cord Co., Ltd.**
Chenghang Hedong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province, P.R. China 215617

Verification Method: Verification Body: TÜV Rheinland (China) Ltd.
- Process: Document review, interview, site visit and recalculation

Verification Scope: Based on the information we have received and evaluated that:
- Programme: Voluntary LCA scheme
- Product Category Rules: N/A
- Analysis method: EN 15804 + A2 (adapted) V1.00
- LCA software and database: SimaPro 9.5.0.0 / Ecoinvent 3.9.1
- Product: Steel Cord
  - Life cycle: Cradle to Gate
  - Time period: 2023.01.01~2023.12.31
  - Declared unit: 1 ton
  - Results: according to annex

Validity: This certificate is valid from 2024-06-17 until 2026-06-16.
This certificate only verified the target product Life Cycle Assessment, this verification does not include review of external communication.

2024-06-17

Zhujiang
TÜV Rheinland (China) Ltd.
Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road,
Beijing Economic-Technological Development Area, Beijing (Yizhuang group in
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Product Life Cycle Assessment

We achieved a 4.41% reduction of GHG emissions per ton of steel cord products approximately, which is attributed to our various energy-saving renovations and renewable energy replacement measures implemented during the reporting period. The reduction in GHG emission intensity indicates that we are on the right path towards greening and decarbonizing our products. Moving forward, we will continue to explore and strive to promote the progress of green products.

Product Carbon Footprint

Indicator	Accounting Boundary	Unit	2022	2023	Trend
GHG Emission per ton Steel Cord Production	Cradle to Gate	tCO2e	4.08	3.90	-4.41%

Responding to Climate Change

Reducing greenhouse gas emissions and mitigating global warming has become a global consensus. Following the goals and principles of United Nations Framework Convention on Climate Change and Paris Agreement, adapting to the trend of new energy replacing fossil fuels, and exploring the establishment of new global climate governance mechanisms require the joint efforts of all.

As a responsible corporate, Junma Steel Cord actively responds to the national dual carbon goals of carbon peak and carbon neutrality, making effective management of greenhouse gas emissions and response to climate change one of the key focuses of daily operations. We have incorporated climate change management into our business decision-making process, disclosing our climate-related risk management and responses in four areas: governance, strategy, risk management, and metrics and targets, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

Governance

We have established governance structure for climate change adaption and mitigation. The Sustainable Development Team is responsible for researching carbon neutrality policies, trends, and industry dynamics, coordinating the formulation of the company's overall carbon neutrality strategy and goals, establishing sound operation mechanisms and processes related to carbon neutrality, planning carbon neutrality management, promoting collaboration on carbon neutrality work across business units, regularly reporting progress and plans on responding to climate change to the board of directors of Junma Group, and actively communicating with governments, customers, investors, employees, and other stakeholders to gather their expectations and requirements regarding climate change response.

Strategy

Based on policy requirements and industry characteristics, we have identified and assessed the climate risks faced by the company. In line with corporate strategy and development stages, we formulate and gradually implement response measures.

Risk Type	Climate Risk	Impact	Time Dimension	Measures
Physical Risks				
Acute Risks	Typhoons	• The company is located in coastal areas where typhoons can affect the normal operations of facilities, leading to suspension of operations in coastal areas and reduced business revenue.	Short-term (1-2 years)	• Strengthen water conservancy projects, adopt flood prevention measures, and enhance the structural strength of facilities. • Conduct typhoon early warning monitoring and issue timely warnings.
	Floods	• Flood disasters may cause damage to production equipment and lead to business suspension. • Floods may bring about water resource pollution, freshwater shortages, thereby reducing output. • Continuous rainfall may cause landslides and other geological disasters, affecting production safety.	Short-term (1-2 years) to medium-term (3-5 years)	• Enhance the capacity of drainage facilities, designing them according to extreme heavy rain conditions. • Develop preparation and disaster management plans for extreme precipitation, preparing sufficient • Organize flood control drills, promptly summarize issues, and improve management processes.
Chronic Risks	Rising Average Temperatures	• Increased water and electricity usage at operational sites, leading to higher operating costs. • Production and transportation equipment durability decreases due to temperature impacts.	Long-term (5-10 years)	• Establish high-temperature monitoring and early warning systems for production and • transportation equipment. Explore scientifically efficient cooling methods, regularly conduct special inspections and maintenance on equipment.
Transition Risks				
	Policy Risks	• Government policies limiting water and electricity usage may force production cuts, leading to increased operating costs. • Government carbon emission management measures and gradually increasing carbon emission quota pricing may result in higher compliance costs.	Long-term (5-10 years)	• Strengthen communication with the government and authorities to ensure timely understanding of policies and adjust business and operational arrangements accordingly. • Undertake energy-saving technological upgrades internally, perfecting the energy management • system. Establish an internal greenhouse gas emission management system, strengthening carbon emission supervision and compliance confirmation.

Risk Type	Climate Risk	Impact	Time Dimension	Measures
Transition Risks	Technology Risks	- High-energy-consuming equipment being phased out in favor of low-emission equipment, increasing research and development costs during the transition. - Clean energy with low GHG emission replacing high-emission fossil fuels, leading to increased production costs.	Long-term (5-10 years)	- Increase research and development in clean technology, reducing costs through clean production innovation. - Continuously explore and apply green materials to improve product performance and reduce costs. - Gradually increase the utilization of clean energy through self-construction or external purchase of clean energy facilities.
	Market Risks	- Changing customer environmental awareness leads to continuously rising attention to and expectations of green and low-carbon products, potentially decreasing market share if customer demands are not met promptly.	Medium-term (3-5 years)	- Actively explore the research and development of green products with low carbon footprint, increase investment in R&D, and enhance the proportion of green products in shipment volumes. - Orient business operations towards customer needs and timely adjust.
	Reputation Risks	- As environmental awareness continues to spread, if the company negatively impacts the environment, it may adversely affect the brand image and corporate reputation. - Stakeholders' regulatory requirements and attention to climate change continue to rise, and if the company fails to establish a sound environmental management system in time, it may affect investors' valuation of the company.	Long-term (5-10 years)	- Carry out product life cycle carbon reduction efforts, establishing a green low-carbon brand image. - Optimize organizational structure, accelerate the capacity building of the Sustainable Development Team, and systematically promote the layout of the company's sustainable development work.

Risk Management

We incorporate climate change risks into the company's overall risk management system, conduct a comprehensive assessment of climate change risks, classify and prioritize them according to their importance.

For the identified risks, we will continue to build monitoring measures, gradually refine risk response plans, and adjust risk response strategies and measures timely based on their importance and changes in policies, industry, and the company's actual situation.

Risk Identification

- Based on various factors such as industry characteristics, business models, and geographical locations, we identify the climate physical risks, transition risks, and opportunities faced by the company in the short term, medium term, and long term.

RiskAssessment

- We use science-based risk assessment tools to evaluate the likelihood and impact of various risks and opportunities, and then prioritize these risks and opportunities.

Risk Management

- Climate change-related risks are incorporated into our company's risk management system, where climate risks are classified and managed effectively and orderly.

Risk Response

- We have developed comprehensive plans for different climate risks and integraterelated actions into the company's daily operations to minimize theimpact of risks.

Targets

Goals and Actions for Climate Change Mitigation

Our Goals

Base year: 2023
By 2034, reduce scope 1 and scope 2 emissions 58.8% from a 2023 base year.
By 2034, reduce scope 3 emissions per dollar of output value by 63.8% from a 2023 base year.

Biodiversity

Junma Steel Cord consistently monitors the impact of its activities on biodiversity and strictly adheres to the relevant laws and regulations, such as *Environmental Protection Law of the People's Republic of China, Soil Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China,* and *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.*

During the reporting period, all production and operation sites of our company were located within mature industrial parks and were designated for industrial use. There are not any operational sites located within or in biodiversity-rich areas of nature reserves. All business activities, products, and services of the company did not reveal any significant impact on biodiversity.

7

Sustainable Supply Chain

Supply Chain Management

Procurement Personnel Management

Enhancing Supply Chain Quality

Diversifying the Supply Chain

Communication

Responsible Minerals Sourcing

07 Sustainable Supply Chain

Our Goals

Qualitative Indicators

- Preferentially collaborate with suppliers certified under the ISO 14001 system.
- Preferentially collaborate with suppliers certified under the ISO 45001 system.

Quantitative Indicators	Target towards 2030	Performance in 2023
Proportion of Suppliers Undergoing Environmental, Human Rights, Business Ethics, Health, And Safety Risk Assessments	100%	100%
Proportion of Suppliers That Have Signed Supplier Code of Conduct	100%	100%
Rate of Communicating Conflict Minerals Statement to Suppliers	100%	100%
Coverage Rate of Procurement Staff Training on The Sustainable Procurement Policy	100%	100%
Quantity Of Nickel (Ni), Copper (Cu), And Aluminum (Al) Purchased from Conflict-Affected And High-Risk Areas	0	0

Key Performance Indicators

The proportion of suppliers that have signed contracts including terms for environmental, labor, and human rights requirements :
100%

The proportion of suppliers that have signed the *Supplier Code of Conduct* :
100%

The coverage rate of supplier social responsibility assessments :
100%

The target percentage of suppliers undergoing on-site social responsibility audits :
100%

The training coverage rate for procurement staff on *Sustainable Procurement Policy* :
100%

The percentage of suppliers undergoing rating improvements :
100%

Supply Chain Management

The company has established *Sustainable Procurement Policy*, which is applicable to all suppliers, traders, contractors, and partners in commercial cooperation with the company, incorporating environmental, social, and corporate governance considerations into business procurement decisions. Additionally, we require all suppliers to sign the *Supplier Code of Conduct* and include requirements such as environmental protection, labor rights, and business ethics in contracts with suppliers to ensure that our sustainable procurement policy is communicated to each business partner.

Risk Analysis

We have developed a *Supplier Management Procedure* and conduct risk analyses on suppliers based on the following:

- Basic Information and Business License
- Quality System Certificate
- Environmental Protection System Certificate
- Occupational Health Management System Certificate
- Environmental Information Questionnaire
- Environmental Management Requirements of Interested Parties

Social Responsibility Performance Assessment

We have formulated *Supplier Performance Evaluation Criteria*, requiring all main material suppliers to provide carbon footprint-related certificates or data. Based on the following matters, we carry out on-site audits or self-assessments for all suppliers, scoring and rating them on environmental, social, and corporate governance issues, and establishing a qualified supplier list.

Environmental Performance

- Environmental management standards and systems establishment
- Capabilities for assessing facilities' to control the release of industrial waste into the surrounding environment
- Continuous environmental training and promotional activities conducting
- Adopting energy-saving technologies and equipment to reduce energy consumption from the source and lower greenhouse gas and other pollutant emissions
- Meeting relevant environmental certification standards, such as ISO 14001 Environmental Management System Certification is required
- Establishing and improving waste management systems, adopting categorized treatment and safe disposal measures
- Using and managing water resources reasonably, promoting water-saving technologies and measures, and reducing sewage discharge
- Conducting environmental risk assessments, identifying potential environmental risks, and taking preventative and response measures

Labor and Human Rights

- Freedom of association and collective bargaining rights
- Development of health and safety policies
- Prohibition of employment discrimination based on race, gender, religion, nationality, etc.
- Prohibition of forced labor
- Prohibition of child labor, requirement of minimum age for employment, and related restrictions
- Prohibition of harassment or abuse of labor
- Salary and working hours regulations
- Health and safety
- Feedback from workers

Business Ethics

- Compliance with relevant international trade laws
- Compliance with drug control laws

Capacity Building

For minor non-compliance or items pending rectification identified in the CSR performance assessment, we will provide supplier with relevant trainings. For suppliers with average rating performance, we require them to submit improvement reports and rectify within a specified deadline for confirmation by us. For suppliers with poor rating performance, we will immediately stop deliveries until rectification is completed and re-audited for approval before deliveries can resume.

Procurement Personnel Management

Our company implements and cultivates awareness of sustainable procurement from the purchasing end, ensuring that all purchasers participate in the training for Sustainable Procurement Policy, continuously enhancing the procurement staff's attention to environmental and social issues in the supply chain.

Compliance Training for Procurement Personnel

Enhancing Supply Chain Quality

We have established the Supplier Management Procedure to ensure the quality of supplier goods, supply stability, completeness of system management, environmental management, and fulfillment of social responsibilities through supplier surveys, potential supplier evaluations, supplier reviews, approval of qualified suppliers, supplier assessments, supplier quality system verifications, and regular supplier performance validations. This procedure facilitates access control and long-term quality assurance.

Diversifying the Supply Chain

By encouraging the procurement of diverse products and services, we are committed to supporting and giving preference to suppliers with diverse backgrounds and varying scales. We aspire to collaborate with suppliers from diverse industries, regions, and cultural backgrounds, thereby promoting the diversification of our supply chain.

Women and Minority-Led Enterprises

- Under equal ratings for quality and social responsibility performance, we prioritize cooperation with suppliersled by women and those inclusive of minonty groups, providing fair business opportunities and an equitable development platfom.

Small and Micro-Enterprises

- We establish long-term and stable partnerships with small and micro-enterprises,assist them in expanding their market share and enhancing their competitiveness.

Communication

Reporting and Appeals

We provide all suppliers with transparent reporting and appeals channels, facilitating their reporting of any violations of our Sustainable Procurement Policy or suggestions for improvement.

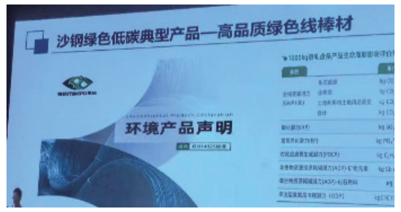
☎ Hotline: 0512-58140915

✉ Email: hankouzh@163.com

Collaboration

Green and Low-Carbon Project Development

Collaborating with CITIC Pacific Special Steel, Qingdao Special Steel, and Jiangsu Shagang Group, we have developed a green bead wire tire bead steel product that utilizes up to 40% or more recycled scrap steel. Furthermore, we actively explore the "Green Steel + High Scrap Steel Ratio Electric Arc Furnace + Wire and Bar" process to produce even more environmentally friendly and low-carbon wire and bar products.



沙钢绿色低碳典型产品—高品质绿色线棒材

环境产品声明

Responsible Minerals Sourcing

Junma Steel Cord fully recognizes the potential risks of significant adverse impacts arising from mineral mining, trading, processing, and exportation in conflict-affected and high-risk areas. In response to this, we have issued the *Conflict Minerals Statement* based on the *OECD Due Diligence Guidance and China Minerals Supply Chain Due Diligence Guidelines*, announcing and committing to not accept metals sourced from conflict-affected mines. Furthermore, we conduct due diligence investigations with suppliers.

Due Diligence Investigations

Trace the origins of all minerals listed in the OECD and Chinese guidelines contained in its products.

Ensure that the metals contained in its products do not originate from conflict-affected or high-risk regions.

Communicate these due diligence requirements to suppliers.

8

Products and Services

Research and Innovation

Product Quality and Safety

Customer Service

08 Products and Services

Our Goals

Qualitative Indicators

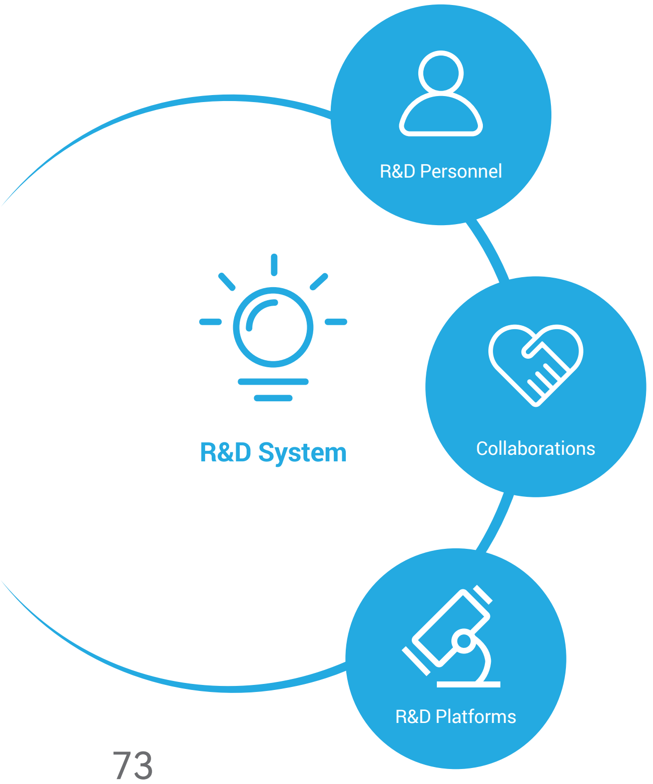
- Continuously conduct and improve user satisfaction scores.
- Increase investment in research and development, actively developing environmentally friendly products with low carbon footprints.

Quantitative Indicators	Target towards 2030	Performance in 2023
Number of Product Recalls Due to Safety Performance Issues	0	0
Health and Safety Violations Related to Products and Services	0	0
Involvement in Complaints Regarding Violation of Employee or Customer Privacy	0	0

Research and Innovation

Research and Development System

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

Our R&D Team comprises professionals from various fields including materials science, metal processing, chemistry, etc.

- Total number of professional researchers: 58
- Industry-academia-research collaboration professors: 5
- Number of researchers with master's degrees: 7
- Number of researchers with senior titles: 6

Research Capabilities

We have procured advanced testing and analytical equipment from both domestic and international sources, enabling us to conduct comprehensive testing of the physical and chemical properties of steel cord and provide external testing services. We are capable of undertaking technological development and product innovation for enterprises, as well as independently conducting research on project topics.

Research Platforms

Leveraging platforms such as Jiangsu Provincial Academician Workstation, Jiangsu Provincial Ultra-Fine Steel Cord Green Manufacturing Engineering Technology Research Center, Jiangsu Enterprise Graduate Student Workstation, and Zhangjiagang Engineering Center, we have established research platforms which encompasses basic research, applied technology research, and new product development, undertaking our company's research tasks related to new materials, products, processes, and equipment.

Collaborations

In terms of industry-academia-research cooperation, we have conducted numerous research projects in depth with universities such as Southeast University, Nanjing Institute of Technology, etc.

During the reporting period, we collaborated with Southeast University on research projects including:

- Investigating and analyzing the impact of the four processes of water quenching (rapid cooling, film boiling stage, nucleate boiling stage, and convective heat transfer stage) on the transformation of sorbite. The focus was on controlling parameters during the film boiling or nucleate boiling stages to achieve an optimal cooling rate for wire, resulting in wire with thin oxide scales, high sorbitization rates, and minimal fluctuations in mechanical properties. The project simulated and emulated the processes of force field, steel wire linearity deviation, and drawing uniformity to master the drawing technology of high-strength ultra-fine high-carbon steel wire. A dynamic simulation model of the drawing process was established, and parameters such as deformation rate and drawing speed were adjusted to optimize the drawing process, achieving continuous forming technology over ultra-long distances (<300KM). During the collaboration, the project's product indicators fully met the expected targets, with a wire breakage rate maintained at 10 times per ton of processed material.
- Setting heating temperatures for wire rods of different steel grades based on the detection of the C-curve of steel wire.
- Through tempering microstructure control, the strength of cementite and the plasticity of ferrite were enhanced, simultaneously improving the strength and plasticity of the material.

JUNMA GROUP

As of the end of 2023, the company had newly applied for a total of 75 patents, 10 of which were invention patents. During the same period, 63 patents were authorized, including 2 invention patents and 69 utility model patents. During the reporting period, the company invested a total of 106,341,096.18 yuan in product research and development.

Furthermore, the company actively participates in the formulation of industry standards. During the reporting period, it contributed to the development of *The Norm of Energy Consumption for per unit Product of Steel Cord (T/CRIA 26003-2023)*, making valuable contributions to the industry's development.

Research Achievements

Flaw Detector

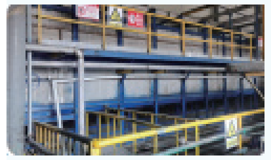
- Installing an online wire rod flaw detector before wire drawing can enable real-time monitoring of the surface quality of wire rods, automatic early warning, and timely shutdown for disposal, thereby reducing the surface defects during rough and intermediate drawing processes and controlling the non-conformance rate of surface defects within 0.1%.

RGV

- Replacing manual wheel collection with RGVs, which can differentiate between different specifications through photography functions and automatically identify collection bins to prevent product mixing.
- Currently, 26 units have been put into operation, significantly enhancing

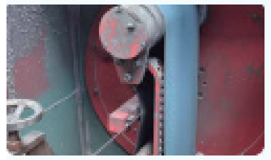
Automatic Wet Drawing Wire Collection System with Upper and Lower Wheels

- Replacing manual wheel handling and featuring automatic diameter detection to prevent the mixing of substandard products by diameter.
- Four production lines have been implemented, reducing labor intensity and ensuring product quality.



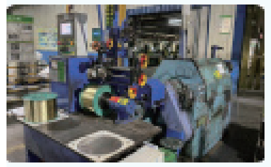
Automatic Control Technology for Soap Solution System Circulation and Sedimentation

- Improving the drainage method of soap solution sedimentation tanks by adopting online mud scraping technology for cleaning, reducing impurities in the soap solution (from 2-3g/L to 1-2g/L). This effectively decreases the consumption of soap solution per ton, with current emissions dropping from 78kg/ton to 69kg/ton, promoting energy savings and environmental protection.



Belt Sander Replacing Hydrochloric Acid Cleaning

- After modification, belt sanders are used to treat the oxide scale on the surface of wire rods, reducing hydrochloric acid emissions. Currently, belt sanders are widely used in 23 pretreatment lines, with an estimated annual reduction of approximately 44 tons of waste acid emissions and 67 tons of hydrochloric acid usage.



CDI4B/2B Wire Collection System Upgraded to Constant Tension System

- After the upgrade, the tension during wire collection remains constant, with almost no variation from the bottom to the full capacity of the collection wheel. This prevents quality defects such as high arc and wire clamping caused by excessive tension at the bottom, reducing operator workload and enhancing overall product quality.

Multiple specifications of cord products, including ST and UT, such as 40.38UT 0C30.225/90.205CCUT77*0.20+0.15 ST, which have been developed and received widespread praise and recognition from users.

Product Quality and Safety

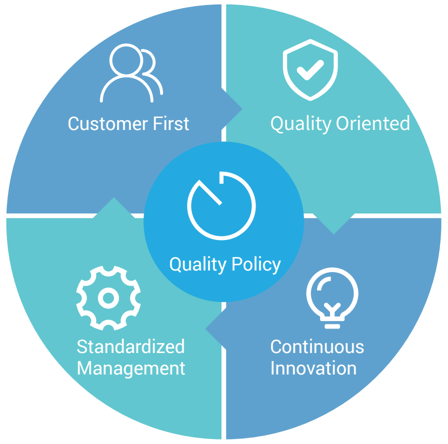
Scope	Indicator	Value	Performance in 2023
Internal Audit	Product Audit Compliance Rate	≥99.9% %	100% %
	Process Audit Compliance Rate	≥90% %	96% %
	Closure Rate of Audit Non-conformities	100% %	100% %
Data Analysis and Utilization	CPK Deviation Index for Finished Cord Products	≤0.088	0.081
Production	First-Pass Yield of Production Inspection (Stranding)	≥99.80% %	99.80% %
	Product Delivery Compliance Rate (Client Side)	100% %	100% %
Customer Feedback/ Communication	Written Customer Complaints	≤0.20 times/ 10,000 tons	0.17 times/ 10,000 tons
	Customer Complaints	≤2.5 times/ 10,000 tons	2.4 times/ 10,000 tons
Procurement and Supplier Management	Incoming Inspection Qualification Rate for Raw Materials (Wire Rods)	≥99% %	99.05% %

Quality System

Junma Steel Cord consistently prioritizes product quality in all operations, strictly adhering to laws and regulations including *Product Quality Law of the People's Republic of China* and *Standardization Law of The People's Republic of China*. We have formulated *Inspection and Testing Management Procedure*, established modern quality inspection centers, simulation laboratories, and R&D centers. Product quality is managed through on-site quality inspections, packaging re-inspections, quality center testing, and shipment quality control.

We have implemented product inspection plans and incoming material inspection plans, conducted on-site quality management system audits for suppliers to enhance control over production processes. Additionally, we conduct annual internal system audits and process system audits. During the reporting period, 9 third-party audits and 16 second-party customer audits were completed, with all identified issues rectified.

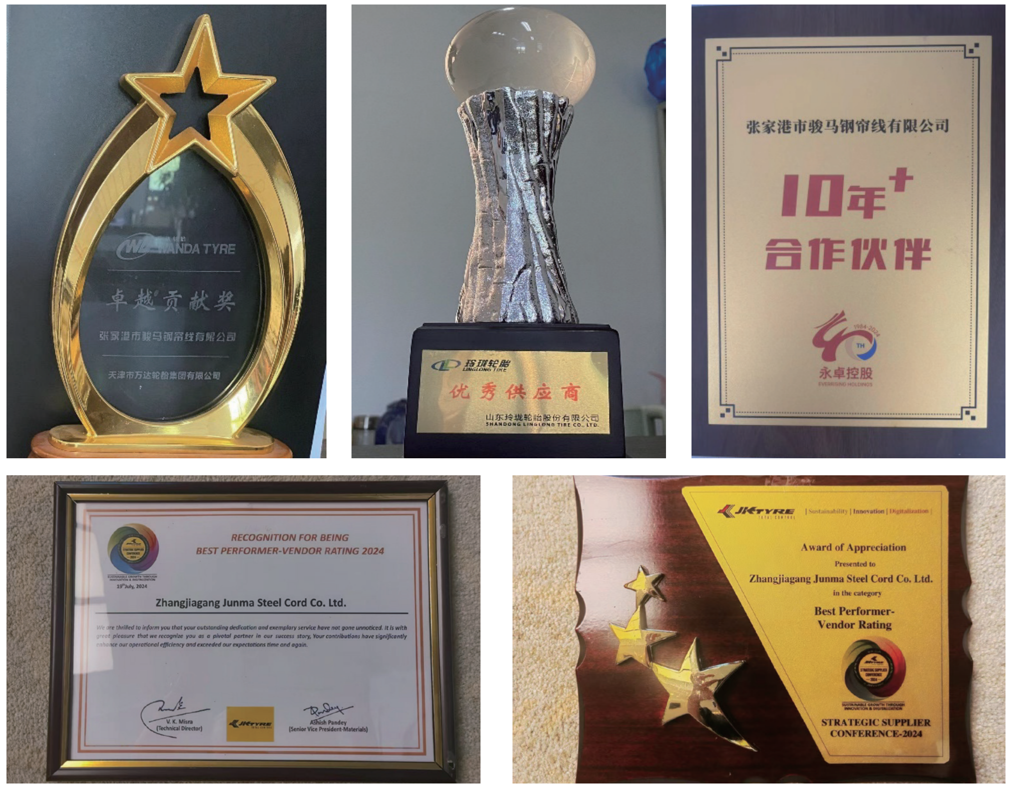
We have established chemical, physical, metallographic analysis labs, and vulcanization laboratories, complemented by a comprehensive quality management network that spans horizontally and vertically, enabling dynamic supervision and full traceability of product quality. In accordance with all quality indicators, we manage the technological processes and production procedures.



Currently, the company holds IATF 16949 Quality Management System certification and has received numerous customer accolades.

In 2023, the company did not experience any product recalls due to safety reasons, and there were no violations related to the health and safety of our products and services.

Honors


WANDA TYRE
卓越贡献奖
张家港市骏马钢帘线有限公司
天津市万达轮胎集团有限公司
玲珑轮胎
LINGLONG TIRE
优秀供应商
山东玲珑轮胎股份有限公司
SHANDONG LINGLONG TIRE CO., LTD.
张家港市骏马钢帘线有限公司
10年+
合作伙伴
永卓控股

RECOGNITION FOR BEING
BEST PERFORMER-VENDOR RATING 2024

19th July, 2024

Zhangjiagang Junma Steel Cord Co. Ltd.

We are thrilled to inform you that your outstanding dedication and exemplary service have not gone unnoticed. It is with great pleasure that we recognize you as a pivotal partner in our success story, Your contributions have significantly enhance our operational efficiency and exceeded our expectations time and again.

V. K. Misra
(Technical Director)

Ashish Pandey
(Senior Vice President-Materials)

JK TYRE | Sustainability | Innovation | Digitalization |

Award of Appreciation
Presented to
Zhangjiagang Junma Steel Cord Co. Ltd.
in the category
Best Performer-
Vendor Rating

STRATEGIC SUPPLIER
CONFERENCE-2024

Non-conforming Product Management

By establishing the *Non-conforming Product Control Procedure*, we manage non-conforming products identified in four processes: incoming inspection of purchased materials, production process, in-process products, and finished product warehousing as well as post-delivery of finished products. Designated departments are responsible for supervising, judging, isolating, reviewing, training, and communicating with customers regarding non-conforming products.

Sampling Inspection

- The Quality Department conducts sampling inspections of products.

Handling of Non-conforming Products

- Analyze and confirm sampled non-confomming products.
  - If an occasional non-sampled item is found to be entirely non-conforming:Implement control measures for the repair ofthese non-confomming products.
  - If all sampled items are non-conforming: The Quality Department collaborates with the Technical Department and responsible units to immediately initiate analysis and confirmation, trace back to the release 0products of the same batch, formulate rework and repair instructions forthe non-conforming samples, and conduct special rework and repair reatments for the released products of the same batch.

Digitization

We have set up a Smart Manufacturing Center to intelligently transform our steel cord production workshops. By adopting an ERP (Enterprise Resource Planning) management system, we integrate various management modules such as procurement and sales, achieving digital integration of business data and processes.

During production, handheld smart scanning terminals are utilized in the workshops to scan material QR codes, thus read material and product information, query operation records in the MES (Manufacturing Execution System) through material QR codes, obtain locations and statuses, and identify distribution points, enabling traceability throughout the entire process from material input, production, to packaging, facilitating lifecycle quality management.

Quality Culture Building

We establish the quality training plan annually, covering operational, standards-based, certification, and quality tool-related training. Additionally, we organize skill competitions for young workers and set up quality promotion billboards within the company to enhance the quality awareness of all employees.

骏马集团青工技能操作

Competitions

张家港市骏马钢帘线有限公司
ZHANGJIAGANG JUNMA STEE
一丝不苟，为用户提供稳定的优质

Billboards

Trainings

Customer Service

While ensuring high-quality products, we also provide comprehensive pre-sales, in-sales, and after-sales services. We have formulated Product Delivery and Service Control Procedure, outlining the personnel and functions for after-sales technical services. Customer complaints and satisfaction surveys are handled in accordance with our *Corrective and Preventive Action Control Procedure and Customer Satisfaction Management Procedure.*

Customer Service and Complaint Management

We have established documents including *Product Delivery and Service Control Procedure and Corrective and Preventive Action Control Procedure,* clarifying the complaint handling process and related requirements.

Pre-sales

- Understand customers' requirements for product quality through proactive visits, inguiries,and consultations.
- Handle contracts/orders and their revisions in accordance with there quirements ofthe Contract Review Management Procedure.
- Detemmine customer demands based on written requirements suchas customer specifications,technical, and quality agreements, etc.
- Select appropriate transportation methods to deliver products tocustomers on time.

Commuinction and Service Control

- The Sales Department promptly forwards issues related to product quality and technology to relevant departments.
- Fill out the Corrective and Preventive Action Notice for verbal customer complaints and implement corrective and preventive measures.
- Meet customer-related requirements, legal regulations, and other requirements specifiedin quality or technical apreements.

Return Management

- Communicate and coordinate with customers to determine thehandling method.
- Organize relevant departments to review and record customer returns within three working days.
- For customer returns requiring on-site rework, the company organizes technical department personnel and quality inspectors from the Quality Department to perform on-site rework, and replaces products that can be reused.
- Keep the Return Review Form as basis for adjusting production or shipment plans.
- Generate a Customer Service Summary Report.

Rapid Response

We have established a rapid response mechanism for quality complaints. Customers can consult about product or service issues at any time, provide feedback and acquire a response within 24 hours, emergency measures within 48 hours, and a formal report as per customer requirements within 72 hours, ensuring timely feedback to customer opinions.

Privacy Protection

To strictly protect customer information and privacy, employees in risk positions are required to sign a *Confidentiality Agreement.* Additionally, we have implemented tiered authorization for different types of customer information based on the principle of "need-to-know" minimization. By compiling the *Sales Contract Management Risk Point Job Manual*, we conduct risk assessments and monitoring from contract, finance, and logistics perspectives. Furthermore, relevant clauses are clearly stated in *Technical Agreements* to ensure that customers are informed in advance when using or storing their private information, and that data processing is only conducted after obtaining customer consent.

In 2023, the company did not experience any violations related to customer privacy and did not receive any related complaints.

Satisfaction Survey

Customer satisfaction surveys are conducted twice a year, covering quality, delivery, and service. In 2023, we achieved an overall satisfaction rate of 100.00% both domestically and internationally.

9

Building a Harmonious Society

Community Relationships
Social Welfare

09 | Building a Harmonious Society

Community Relationships

Blood Donation Activities with the Sub-district Office

In 2023, we actively responded to the group's call for blood donation activities. A total of 25 enthusiastic employees participated in the charity blood donation event organized by the sub-district office, donating a total of 7,600 milliliters of blood. This selfless contribution not only demonstrated their personal social responsibility but also showcased the company's overall caring spirit and support for public welfare.

Community Volunteer Service

In 2023, we proactively led our employees in participating in two volunteer activities: the Zhangjiagang Economic Development Zone (Yangshe Town) Production Reform Merit Competition Mobilization Meeting and the cleaning and maintenance of the Zhangjiagang Library. The company contributed a total of 40 hours of volunteer service time, further demonstrating its commitment and support for public welfare undertakings.

Social Welfare

Sanping Zhangjiagang Junma Hope School

Junma Hope Primary School

"Love Fills Zhangjiagang City" Charitable Donation

In 2023, we donated to the " Love Fills Zhangjiagang City" project of the Zhangjiagang Charity Federation, providing strong support for local charitable causes.

10 Appendix

Key Performance Indicators

Economic KPIs

Direct economic value generated and distributed

Direct Economic Value Generated and Distributed (EVG&D) on An Accruals Basis

Indicator	Unit	2021	2022	2023
Total Assets	10,000 yuan	392,871.87	386,854.05	345,258.66
Operating Income	10,000 yuan	284,352.97	275,853.88	290,168.28
Total Annual Tax Payments[8]	10,000 yuan	8,618.42	4,149.47	11067.57

Environmental KPIs[9]

GHG Emissions

Indicator	Unit	2022	2023
Total Emissions	tCO2e	943,069.43	1,133,797.32
Scope 1 Emissions	tCO2e	25,838.58	30,078.10
Scope 2 Emissions	tCO2e	323,476.25	379,347.79
Scope 3 Emissions	tCO2e	593,754.60	724,371.42
Emission Intensity	tCO2e/ton production	3.79	3.84

Exhaust Emissions

Indicator	Unit	2021	2022	2023
Total Emissions	ton	69,468.84	68,542.83	63,848.94
Particulate Matter Emissions	kg	1,622.37	1,955.73	2,192.43
Sulfur Dioxide Emissions	kg	0.00	0.00	1.08
Nitrogen Oxides Emissions	kg	8,159.22	8,076.39	7,295.16
Sulfuric Acid Mist Emissions	kg	62.73	27.30	24.84
Hydrochloric Acid Mist Emissions	kg	674.16	868.77	411.72

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8. Total tax payments include export tax exemptions and credits.
9. Unless otherwise noted, the timeframe of the data is from January 1, 2023 to December 31, 2023; the data includes Junma Steel Cord.

Wastewater[10]

Indicator	Unit	2021	2022	2023
Domestic Effluent Discharge	m^3	211,500.00	216,900.00	484,151.00
Production Wastewater Discharge	m^3	564,922.00	451,794.00	700,686.00
Chemical Oxygen Demand (COD)	ton	10.90	9.03	9.24
Total Copper	kg	0.69	0.70	0.00
Total Zinc	kg	1.67	1.61	0.00
Total Nitrogen	ton	4.29	3.59	6.56
Ammonia	kg	66.89	36.94	34.00
Total Phosphorus	kg	77.49	68.34	22.00

Solid Waste

Indicator		Unit	2021	2022	2023
General Industrial Solid Waste Generation/Transfer Volume	Scrap Iron (Scraps)	ton	1,447.67	1,694.89	1,576.99
	Waste Drawing Powder	ton	383.44	236.00	296.60
	Waste Steel Wire	ton	2,895.56	2,563.84	3,767.72
	Waste Packaging Boxes	ton	864.51	780.66	1,148.24
	Waste Plastic	ton	121.12	183.34	113.30
Hazardous Waste Generation/ Transfer Volume	Copper Sludge	ton	389.16	247.48	271.90
	Waste Sulfuric Acid	ton	3,997.31	3,878.78	4,297.20
	Waste Hydrochloric Acid	ton	7,405.79	6,103.30	7,351.90
	Waste Phosphoric Acid	ton	3,862.01	4,263.93	4,469.46
	Heavy Oil	ton	657.23	674.41	709.00
	Electroplating Sludge	ton	2,129.49	1,896.01	1,958.40
	Waste Film	ton	0.20	0.00	0.00
	Waste Emulsion	ton	15,639.10	16,152.82	18,997.20
	Laboratory Residual Liquids and Packaging Materials	ton	28.11	64.06	119.70

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10. The amount of wastewater discharge has a significant increase because of the increasing production in 2023.

Energy Consumption[11]				
Indicator	**Unit**	**2021**	**2022**	**2023**
Total Electricity Consumption (Including Photovoltaic Power Generation)	10,000 kWh	51,779.71	51,923.04	60,222.89
Photovoltaic Power Generation	10,000 kWh	216.00	214.34	3,631.59
Electricity Consumption Intensity	kWh/tons of production	2,065.60	2,085.00	2,040.06
Electricity Consumption per Unit Area	kWh/m^2	719.16	720.33	836.42
Natural Gas Consumption	m^3	12,089,087.00	11,317,767.00	13,577,339.00
Electricity Consumption per Unit Output	m^3/10,000 yuan	55.43	52.33	51.95
Natural Gas Consumption Per Unit Area	m^3/ m^2	16.79	15.72	20.94
Steam Consumption	ton	95,180.00	77,915.00	81,275.00
Disel Consumption	liter	156,406.00	165,752.00	188,113.80
Clean Energy Consumption Proportion[12]	%	0.42	0.41	6.03

Water Consumption				
Indicator	**Unit**	**2021**	**2022**	**2023**
Total Water Consumption	ton	242,755.00	228,860.00	148,896.00
Water Consumption Intensity	ton/tons of production	0.97	0.92	0.50
Water Recycling Volume	m^3	1,702,311.00	1,786,506.00	2, 166,162.00
Water recycling utilization rate	%	69.83	78.18	73.97

Note: Average low-level heating value refers to General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) and the electricity conversion standard coal coefficient uses the same value. Greenhouse gas emission data are calculated according to ISO14064-3:2019 accounting standards.

Social KPIs

Employment

Employees			
Indicator	**2021**	**2022**	**2023**
Total Number of Employees	2,575	2,614	2,430
Labor Contract Signing Rate	100.00%	100.00%	100.00%

By Gender	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Male	1,956	75.96%	2,035	77.85%	1,962	80.74%
Female	619	24.04%	579	22.15%	468	19.26%

By Position	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Senior Management	4	0.15%	4	0.15%	4	0.17%
Middle Management	53	2.06%	55	2.10%	54	2.22%
General Staff	2,518	97.79%	2,555	97.75%	2,372	97.61%

By Age Group	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Below 30 years old	471	18.29%	344	13.16%	531	21.85%
31-50 years old	1,732	67.26%	1,818	69.55%	1,428	58.77%
Above 50 years old	372	14.45%	452	17.29%	471	19.38%

By Region	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Mainland China, Hong Kong, Macau, and Taiwan	2,575	100.00%	2,614	100.00%	2,430	100.00%
Overseas	0	0.00%	0	0.00%	0	0.00%

By Ethnic Group	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Han	2,473	96.04%	2,503	95.75%	2,404	99.09%
Minority	102	3.96%	111	4.25%	26	0.91%

By Education Degree	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Master's Degree and Above	3	0.12%	3	0.11%	3	0.12%
Bachelor's Degree	68	2.64%	69	2.64%	77	3.17%
Junior College and Bellow	2,504	97.24%	2,542	97.25%	2,350	96.71%

By Profession	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Production	2,099	81.51%	2,111	80.76%	1,950	80.25%
Sales	10	0.39%	10	0.38%	10	0.41%
Technical	270	10.49%	277	10.60%	277	11.40%
Financial	4	0.16%	4	0.15%	4	0.16%
Admin	120	4.65%	130	4.97%	128	5.27%
Service	72	2.80%	82	3.14%	61	2.51%

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11. The production lines added in 2023 leads to a significant increase in energy consumption.
12. Our photovoltaic power generation projects began to come on line extensively at the end of 2022, resulting in significantly higher PV power consumption figures in 2023.

By Health Condition	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Disabled	12	0.46%	13	0.50%	5	0.18%

Total Number and Rate of New Employee Hires by Gender, Age Group and Region

Indicator	2021	2022	2023
Total Number	549	500	654

By Gender	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	412	75.05%	396	79.20%	528	80.73%
Female	137	24.95%	104	29.80%	126	19.27%
By Age Group	**2021**		**2022**		**2023**	
	Number	Percentage	Number	Percentage	Number	Percentage
Below 30 years old	199	36.25%	109	21.80%	254	38.84%
31-50 years old	326	59.38%	370	74.00%	372	56.88%
Above 50 years old	24	4.37%	21	4.20%	28	4.28%
By Region	**2021**		**2022**		**2023**	
	Number	Percentage	Number	Percentage	Number	Percentage
Mainland China, Hong Kong, Macau, and Taiwan	549	100.00%	500	100.00%	654	100.00%
Overseas	0	0.00%	0	0.00%	0	0.00%

Total Number and Rate of Employee Turnover by Gender, Age Group and Region[13]

Indicator	2021	2022	2023
Total Number	403	392	321
Turnover Rate	15.65%	15.00%	13.21%

By Gender	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	324	16.56%	321	15.77%	289	14.73%
Female	79	12.76%	71	12.26%	32	6.84%
By Age Group	**2021**		**2022**		**2023**	
	Number	Percentage	Number	Percentage	Number	Percentage
Below 30 years old	82	17.41%	72	20.93%	94	17.70%
31-50 years old	293	16.92%	296	16.28%	218	15.27%
Above 50 years old	28	7.53%	24	5.31%	9	1.91%
By Region						
	Number	Percentage	Number	Percentage	Number	Percentage
Mainland China, Hong Kong, Macau, and Taiwan	403	15.65%	392	15.00%	321	13.21%
Overseas	0	0.00%	0	0.00%	0	0.00%

Total Number and Rate of Management Staff by Gender, Age Group and Ethnic Group

Indicator	2021	2022	2023
Total Number	57	59	58

By Gender	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	55	96.49%	57	96.61%	56	96.55%
Female	2	3.51%	2	3.39%	2	3.45%
By Age Group	**2021**		**2022**		**2023**	
	Number	Percentage	Number	Percentage	Number	Percentage
Below 30 years old	1	1.75%	1	1.69%	1	1.72%
31-50 years old	45	78.95%	46	77.97%	46	79.31%
Above 50 years old	11	19.30%	12	20.34%	11	18.97%

By Ethnic Group	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Han	57	100.00%	59	100.00%	58	100.00%
Minority	0	0.00%	0	0.00%	0	0.00%

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13. Employee turnover rate = annual number of turnover/total annual number of employees * 100%, and employee turnover rate for each category = number of departures for that category of employees/total number of employees in that category * 100%

Training and Education

Percentage of Total Employees by Gender and by Employee Category Who Received a Regular Performance and Career Development Review

Indicator	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Total Number & Percentage	2,575	100.00%	2,614	100.00%	2,430	100.00%
By Gender	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Male	1,956	100.00%	2,035	100.00%	1,962	100.00%
Female	619	100.00%	579	100.00%	468	100.00%
By Position	**2021**		**2022**		**2023**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Senior Management	4	100.00%	4	100.00%	4	100.00%
Middle Management	53	100.00%	55	100.00%	54	100.00%
General Staff	2,518	100.00%	2,555	100.00%	2,372	100.00%

Total & Average Training Hours and Percentage of Employees Who Received Trainings by Gender and Position

Indicator	2021		2022		2023	
	Average Training Hours	Percentage	Average Training Hours	Percentage	Average Training Hours	Percentage
Total Training Hours[14]	2,226	86.45%	2,306	88.20%	2,430	100.00%
By Gender[15]	**2021**		**2022**		**2023**	
	Average Training Hours	**Percentage**	**Average Training Hours**	**Percentage**	**Average Training Hours**	**Percentage**
Male	NA	86.79%	NA	89.55%	22.94	100.00%
Female	NA	85.00%	NA	90.00%	25.86	100.00%
By Position	**2021**		**2022**		**2023**	
	Average Training Hours	**Percentage**	**Average Training Hours**	**Percentage**	**Average Training Hours**	**Percentage**
Senior Management	9	86.45%	12	88.26%	11.75	100.00%
Middle Management	24	14.13%	28	14.43%	15.19	100.00%
General Staff	21.24	27.20%	23.04	28.80%	23.71	100.00%

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14. Average Training Hours = Total Training Hours Provided to Employees/Total Number of Employees; Average Training Hours of Each Group of Employees = Total Training Hours Provided to Employees by Group/Total Number of Employees in that Group.
15. Training hours of employees by gender is not available for 2021 and 2022, thus only 2023 data are disclosed in detail.

Labor Rights

Two-way Communication and Human Right

Indicator	2021	2022	2023
Number of Employees Covered by Collective Bargaining Agreements	2,575	2,614	2,430
Percentage of Employees Covered by Collective Bargaining Agreements	100.00%	100.00%	100.00%
Percentage of Employees Represented by Duly Elected Staff Representatives with Work Conditions Regulations Across All Regions	100.00%	100.00%	100.00%
Percentage of Employees Represented by Duly Elected Staff Representatives Across All Regions	100.00%	100.00%	100.00%
Number of Union Members	2,575	2,614	2,430
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
Percentage of Operations That Have Been Subject to Human Rights Reviews or Human Rights Impact Assessments16	NA	100.00%	100.00%
Number of Employees Received Training on Preventing Discrimination and Human Rights Violations	2,575	2,614	2,430
Percentage of Employees Received Training on Preventing Discrimination and Human Rights Violations	100.00%	100.00%	100.00%
Result of Employee Satisfaction Survey	86.46%	88.83%	87.98%

Social Insurance Coverage

By Gender	2021	2022	2023
	Coverage	Coverage	Coverage
Male	100.00%	100.00%	100.00%
Female	100.00%	100.00%	100.00%

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16. Hunman right assessments have been conducted since 2022, thus related data is not available in 2021.

Occupational and Health Management

Indicator	2021	2022	2023
Number of Workers Covered by the Occupational Health Management System (OHMS):	2,575	2,614	2,430
Number of Workers in Jobs with Occupational Disease Risks	368	321	854
Number of Workers with Occupational Diseases	0	0	0

Work-related Injuries

Indicator	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	13	11	10
Recordable Injury Rate (per 200,000 Working Hours)	0.51	0.42	0.41
Recordable Injury Rate (per 1,000,000 Working Hours)	2.52	2.10	2.06
Total Lost Work Days Due to Work-Related Injuries	385	363	510
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

Occupational Health & Safety Drills and Inspections

Indicator	2021	2022	2023
Safety Emergency Drill	8	8	12
Number of Safety Training Sessions	51	64	85
Safety Training Hours	510	640	850
Safety Training Attendance	2,575	2,614	2,814
Safety Promotion Activities	12	12	12
Planned Safety Inspections	24	24	24
Unplanned Safety Inspections	3	3	4

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[17] Recordable Injury Rate (multiplying 200,000 working hours) = Number of Recordable Work-Related Injuries/Total Working Hours*200,000

[18] Recordable Injury Rate (multiplying 1,000,000 working hours) = Number of Recordable Work-Related Injuries/Total Working Hours*1,000,000

Occupational Health Examinations[19]

Indicator	2021	2022	2023
Occupational Health Examinations for Disease Prevention	368	321	854
Percentage of Workers Participating in Occupational Health Examinations for Disease Prevention	100.00%	100.00%	100.00%

Supply Chain Management

Total Number and Percentage of Suppliers

Indicator	2021	2022	2023
Total Number	45	45	48

Proportion of Spending on Local Suppliers[20]

Indicator	2021	2022	2023
Procurement Budget Spent on Local Suppliers (billion yuan)	22	19	9

Suppliers Management[21]

Indicator	2021	2022	2023
Total Number of Suppliers Reviewed	NA	45	48
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%
Rate of Communication of the Declaration on Conflict Minerals to Suppliers	NA	40.00%	100.00%

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[19] In 2023, due to the increase in our production lines, the number of employees in positions involving occupational health hazards has risen significantly compared to 2021 and 2022, and the number of employees participating in occupational disease medical examinations has risen accordingly.

[20] The supplier statistics data for the years 2021 and 2022 are for all suppliers nationwide. However, the statistical methodology for the year 2023 is different, resulting in significant differences in the data.

[21] The company has started systematically conducting supplier CSR audits since 2022, thus relevant data was unavailable in 2021.

Supplier Environmental Assessment

Indicator	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
New Suppliers that Were Screened Using Environmental Criteria	NA	NA	0	0.00%	9	100.00%
Suppliers Assessed for Environmental Impacts	NA	NA	45	100.00%	48	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

Indicator	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
New Suppliers that Were Screened Using Social Criteria	NA	NA	0	0.00%	3	100.00%
Suppliers Assessed for Social Impacts	NA	NA	45	100.00%	48	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%

Product and Service

Product Quality and Safety

Indicator	2021	2022	2023
Number of Complaints Received about Products and Services	63	66	62
Customer Complaint Handling 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

R&D

Indicator	Unit	2021	2022	2023
Investment in R&D	10,000 yuan	10,237	9,742	10,634
R&D Personnels	Number	267	373	391
Percentage of R&D Personnels	%	10	14	15

Governance KPIs

Anti-Corruption

Communication and Training about Anti-Corruption Policies and Procedures

Indicator	2021	2022	2023
Number of Training on Anti-corruption	1	1	2
Total Number of Employees that Have Received Training on Anti-corruption	2,575	2,614	2,430
Average Training Hours	4	4	8

Corruption Risk Assessment

Indicator	2021	2022	2023
Total Number and Percentage of Operational Sites Undergone Corruption Risk Assessment[22]	N/A	100.00%	100.00%

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[22] Systematic risk assessments for business ethic have been conducted since 2022, thus data in 2021 is not available.

Confirmed Incidents

Indicator	2021	2022	2023
Total Number of Confirmed Incidents	0	0	0

Marketing and Labeling

Incidents of Non-Compliance Concerning Product and Service Information and Labeling

Indicator	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

Indicator	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

Information Security

Information Security Incidents and Corrective Actions Taken

Indicator	2021		2022		2023	
	Product	Service	Product	Service	Product	Service
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

GRI Content

Statement of use: Junma Steel Cord Co., Ltd 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	P1
	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	P91
	2-5 External assurance	P103
	2-6 Activities, value chain and other business relationships	P7
	2-7 Employees	P29-P44
	2-9 Governance structure and composition	P12
	2-11 Chair of the highest governance body	P12
	2-12 Role of the highest governance body in overseeing the management of impacts	P12
	2-13 Delegation of responsibility for managing impacts	P12
	2-14 Role of the highest governance body in sustainability reporting	P3-P4
	2-15 Conflicts of interest	P14
	2-16 Communication of critical concerns	P24-P25
	2-19 Remuneration policies	P38
	2-20 Process to determine remuneration	P38
	2-22 Statement on sustainable development strategy	P3-P4
	2-23 Policy commitments	P21
	2-24 Embedding policy commitments	P18
	2-25 Processes to remediate negative impacts	P17
	2-26 Mechanisms for seeking advice and raising concerns	P14、P17
	2-27 Compliance with laws and regulations	P14、P17
	2-29 Approach to stakeholder engagement	P24
	2-30 Collective bargaining agreements	P43

GRI STANDARD	DISCLOSUR	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P26
	3-2 List of material topics	P26
	3-3 Management of material topics	P26
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P85
	201-2 Financial implications and other risks and opportunities due to climate change	P12，P61-P63
	201-3 Defined benefit plan obligations and other retirement plans	P36，P37
201-3 Defined benefit plan obligations and other retirement plans	204-1 Proportion of spending on local suppliers	P94
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P96
	205-2 Communication and training about anti-corruption policies and procedures	P96
	205-3 Confirmed incidents of corruption and actions taken	P97
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P14
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P56
	301-2 Recycled input materials used	P56
	301-3 Reclaimed products and their packaging materials	P56
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P58
	302-3 Energy intensity	P58
	302-4 Reduction of energy consumption	P57
GRI 303: Water and Effluents 201	303-1 Interactions with water as a shared resource	P59，P87
	303-2 Management of water discharge-related impacts	P59，P87
	303-3 Water withdrawal	P59，P87
	303-4 Water discharge	P59，P87
	303-5 Water consumption	P59，P87
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	P64
	304-2 Significant impacts of activities, products and services on biodiversity	P64

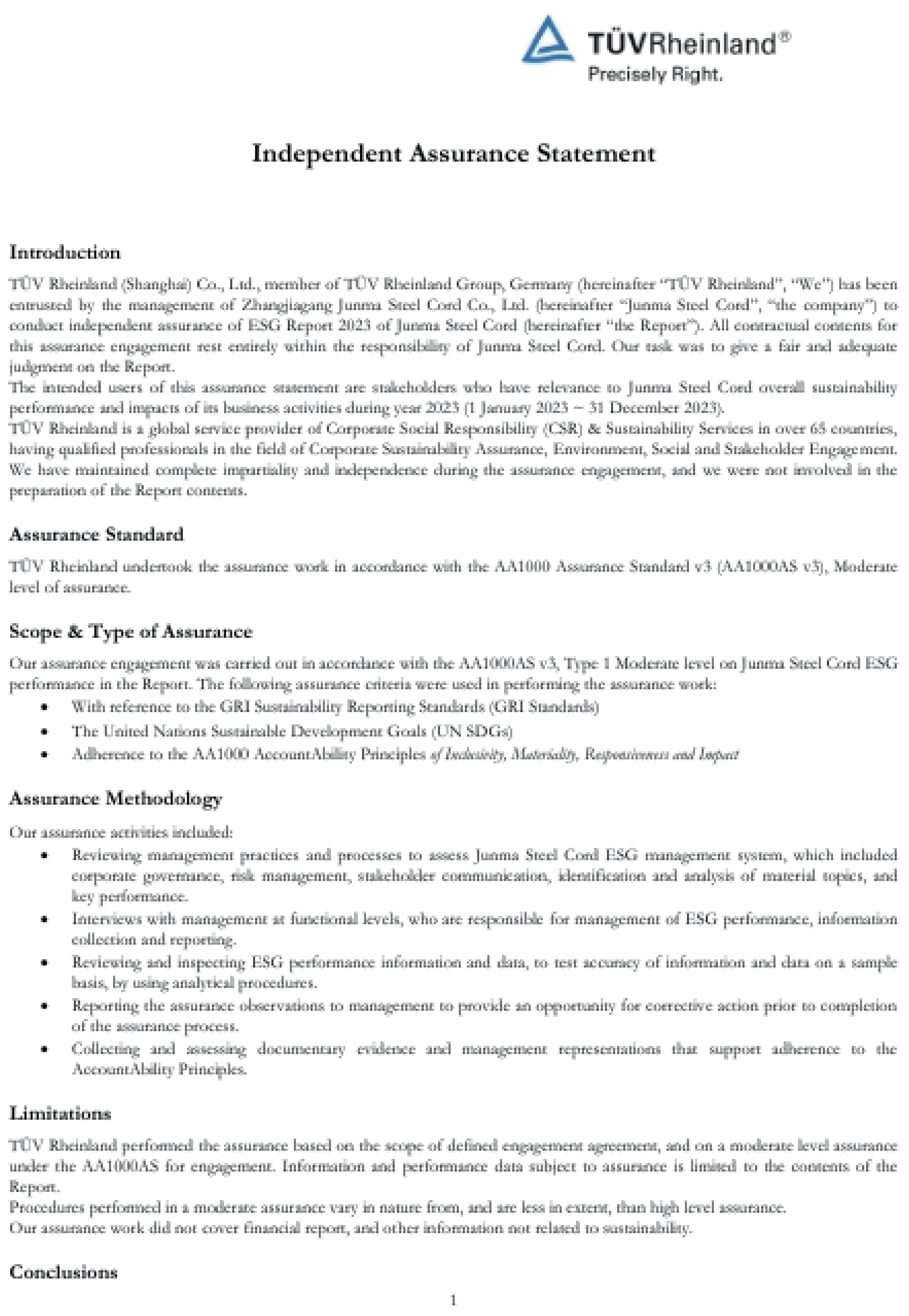
GRI STANDARD	DISCLOSUR	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P60，P85
	305-2 Energy indirect (Scope 2) GHG emissions	P60，P85
	305-3 Other indirect (Scope 3) GHG emissions	P60，P85
	305-4 GHG emissions intensity	P60，P85
	305-5 Reduction of GHG emissions	P61
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P52、P85
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P54
	306-2 Management of significant waste-related impacts	P54
	306-3 Waste generated	P55
	306-4 Waste diverted from disposal	P55
	306-5 Waste directed to disposal	P54
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P96
	308-2 Negative environmental impacts in the supply chain and actions taken	P69
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	P89
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P38-P39
	401-3 Parental leave	P39
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P29-P30
	403-2 Hazard identification, risk assessment, and incident investigation	P30
	403-3 Occupational health services	P31-P33
	403-4 Worker participation, consultation, and communication on occupational health and safety	P34
	403-5 Worker training on occupational health and safety	P35
	403-6 Promotion of worker health	P33
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P76-P78
	403-8 Workers covered by an occupational health and safety management system	P29
	403-9 Work-related injuries	P93
	403-10 Work-related ill health	P29

GRI STANDARD	DISCLOSUR	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P91
	404-2 Programs for upgrading employee skills and transition assistance programs	P37
	404-3 Percentage of employees receiving regular performance and career development reviews	P38
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P87-P89
	405-2 Ratio of basic salary and remuneration of women to men	P41
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P40
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	P68
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	P68
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	P68
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P68、P94
	414-2 Negative social impacts in the supply chain and actions taken	P69
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P77
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	P77
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P79
	417-2 Incidents of non-compliance concerning product and service information and labeling	P97
	417-3 Incidents of non-compliance concerning marketing communications	P97
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P97

United Nations Sustainable Development Goals (SDGs) Benchmarking Index

SDGs	Content	Location
1 NO POVERTY	Goal 1 No Poverty	Harmonious Workplace Building a Harmonious Society
2 ZERO HUNGER	Goal 2 No Hunger	Building a Harmonious Society
3 GOOD HEALTH AND WELL-BEING	Goal 3 Good Health and Well-being	Harmonious Workplace Sustainable Supply Chain Products and Services
4 QUALITY EDUCATION	Goal 4 Quality Education	Harmonious Workplace Building a Harmonious Society
5 GENDER EQUALITY	Goal 5 Gender Equality	Harmonious Workplace Sustainable Supply Chain
6 CLEAN WATER AND SANITATION	Goal 6 Clean Water and Sanitation	Environmental Sustainability
7 AFFORDABLE AND CLEAN ENERGY	Goal 7 Affordable and Clean Energy	Environmental Sustainability
8 DECENT WORK AND ECONOMIC GROWTH	Goal 8 Decent Work and Economic Growth	Harmonious Workplace Sustainable Supply Chain
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Goal 9 Industry, Innovation and Infrastructure	Sustainable Supply Chain Products and Services
10 REDUCED INEQUALITIES	Goal 10 Reduced Inequities	Harmonious Workplace Sustainable Supply Chain
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Goal 12 Responsible Consumption and Production	Sustainable Supply Chain Products and Services
13 CLIMATE ACTION	Goal 13 Climate Action	Environmental Sustainability
15 LIFE ON LAND	Goal 15 Life on Land	Environmental Sustainability
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Goal 16 Peace, Justice and Strong Institutions	Our Governance and Compliance Harmonious Workplace Sustainable Supply Chain

11 | Independent Assurance Statement



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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 Zhangjiagang Junma Steel Cord Co., Ltd. (hereinafter "Junma Steel Cord", "the company") to conduct independent assurance of ESG Report 2023 of Junma Steel Cord (hereinafter "the Report"). All contractual contents for this assurance engagement rest entirely within the responsibility of Junma Steel 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 Junma Steel Cord overall sustainability 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 Steel Cord 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 Steel Cord ESG management system, which included corporate governance, risk management, stakeholder communication, identification and analysis of material topics, and key performance.
- Interviews with management at functional levels, who are responsible for management of ESG performance, information collection and reporting.
- Reviewing and inspecting ESG 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.

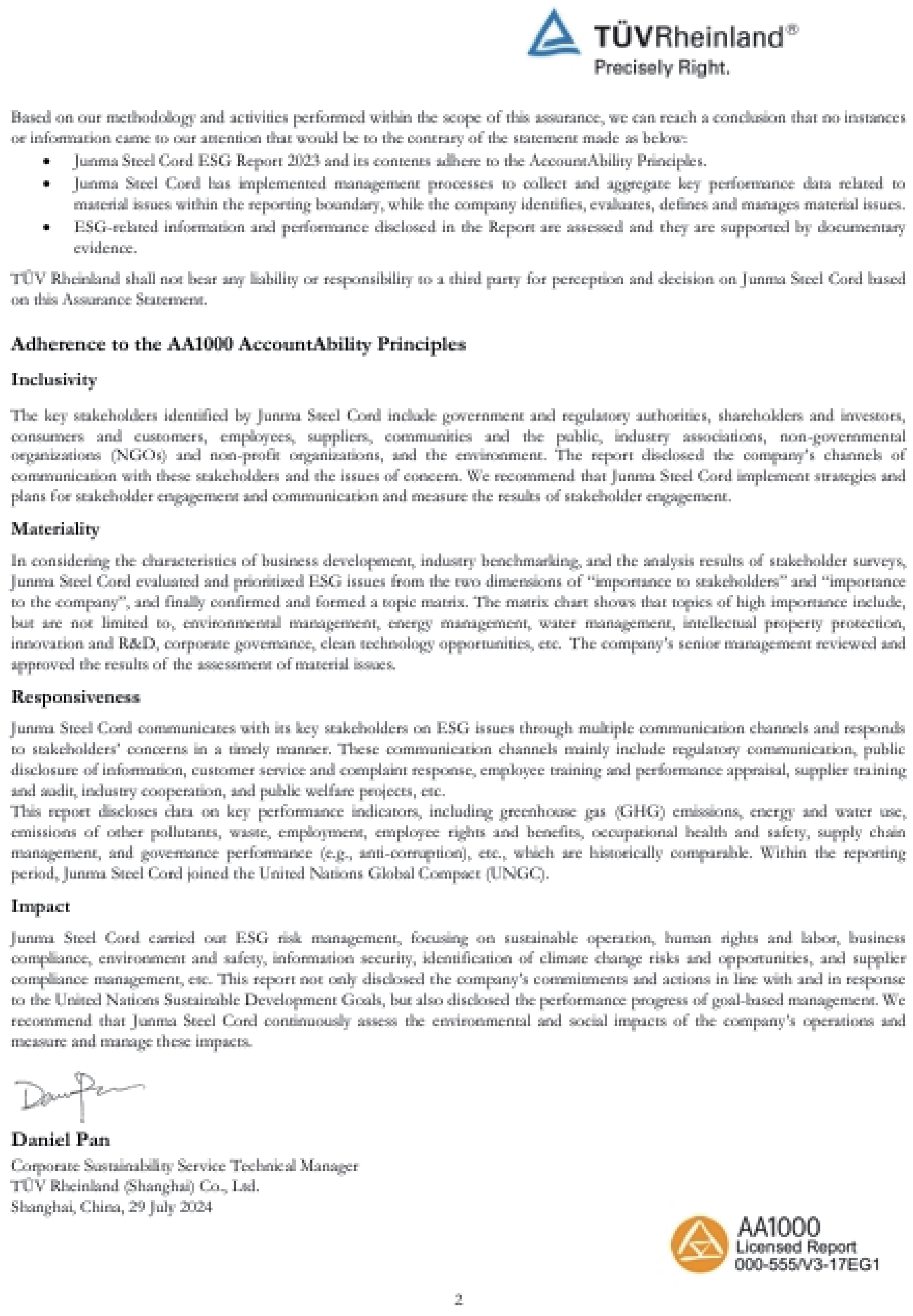
Limitations

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



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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 Steel Cord ESG Report 2023 and its contents adhere to the AccountAbility Principles.
- Junma Steel 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 information and performance disclosed in the Report are assessed and they are supported by documentary evidence.

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

Adherence to the AA1000 AccountAbility Principles

Inclusivity

The key stakeholders identified by Junma Steel 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. The report disclosed the company's channels of communication with these stakeholders and the issues of concern. We recommend that Junma Steel Cord implement strategies and plans for stakeholder engagement and communication and measure the results of stakeholder engagement.

Materiality

In considering the characteristics of business development, industry benchmarking, and the analysis results of stakeholder surveys, Junma Steel Cord evaluated and prioritized ESG issues from the two dimensions of "importance to stakeholders" and "importance to the company", and finally confirmed and formed a topic matrix. The matrix chart shows that topics of high importance include, but are not limited to, environmental management, energy management, water management, intellectual property protection, innovation and R&D, corporate governance, clean technology opportunities, etc. The company's senior management reviewed and approved the results of the assessment of material issues.

Responsiveness

Junma Steel 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 regulatory communication, public disclosure of information, customer service and complaint response, employee training and performance appraisal, supplier training and audit, industry cooperation, and public welfare projects, etc.

This report discloses data on key performance indicators, including greenhouse gas (GHG) emissions, energy and water use, emissions of other pollutants, waste, employment, employee rights and benefits, occupational health and safety, supply chain management, and governance performance (e.g., anti-corruption), etc., which are historically comparable. Within the reporting period, Junma Steel Cord joined the United Nations Global Compact (UNGC).

Impact

Junma Steel Cord carried out ESG risk management, focusing on sustainable operation, human rights and labor, business compliance, environment and safety, information security, identification of climate change risks and opportunities, and supplier compliance management, etc. This report not only disclosed the company's commitments and actions in line with and in response to the United Nations Sustainable Development Goals, but also disclosed the performance progress of goal-based management. We recommend that Junma Steel Cord continuously 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, 29 July 2024

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