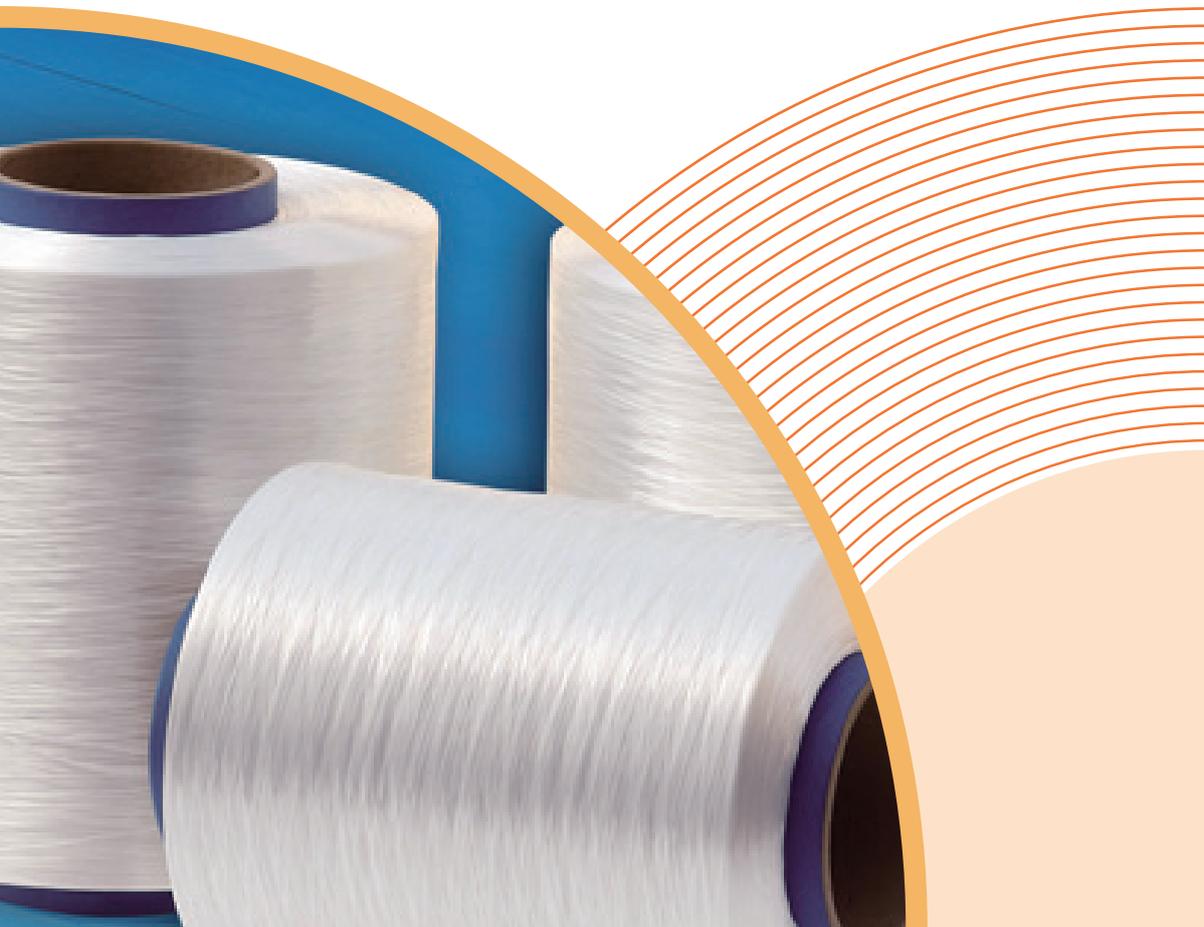




Zhangjiagang Junma Polyester Fibre Products Co.Ltd



2024

Environmental, Social and Governance(ESG) Report

Contents

01 About this Report

1.1 Basis of the Report	04
1.2 Reporting Scope	04
1.3 Obtaining the Report	04
1.4 Explanation of References	05
1.5 Contact Information	05
1.6 Other Statement	05

05 Environmental Sustainable Development

5.1 Environmental Management	32
5.2 Management of Waste Gas, Waste Water, Solid Waste, and Noise	36
5.3 Chemical Management	42
5.4 Energy and Carbon Emission Management	44
5.5 Water Resource Conservation	48
5.6 Climate Change Adoption	49
5.7 Biodiversity	53

08 Responsible Supply Chain Management

8.1 Enhancing Supply Chain Resilience	98
8.2 Sustainable Supply Chain	98
8.3 Supply Chain Diversification	101
8.4 Supply Chain Communication	101
8.5 Procurement Personnel Management	102

02

Message from Chairman	06
------------------------------	----

06 Product Quality and R&D

6.1 Product Quality and Safety	56
6.2 Research and Innovation	61
6.3 Customer Service	64

09

Social Welfare and Charity	106
-----------------------------------	-----

03 About Us

3.1 Company Introduction	10
3.2 Business Layout	12
3.3 Corporate Culture	14
3.4 Qualifications and Honors	14

07 Human Resources Management

7.1 Occupational Health and Safety	68
7.2 Diversity and Equal Opportunities	80
7.3 Employee Training and Development	88
7.4 Employee Rights and Benefits	89
7.5 Employee Communication	92

10 Appendix

10.1 Key Performance Indicators	110
10.2 GRI Index	120
10.3 United Nations Sustainable Development Goals (SDGs) Benchmarking Index	138

04 Integrity and Compliance Governance

4.1 Governance Structure	18
4.2 Business Ethics	18
4.3 Risk Management and Internal Control	21
4.4 Information Security and Privacy Protection	22
4.5 ESG Governance Structure	22
4.6 Sustainable Development Policies and Guidelines	23
4.7 Responding to the United Nations Sustainable Development Goals (SDGs)	23
4.8 Stakeholder Communication	26
4.9 Assessment and Determination of Material Issues	28

11

Independent Assurance Statement	140
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1 About this Report

Zhangjiagang Junma Polyester Fibre Products Co.Ltd. has published its first 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.

1.1 Basis of the Report

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

1.2 Reporting Scope

This report discloses information and data pertaining to Zhangjiagang Junma Polyester Fibre Products Co.Ltd. Unless otherwise specified, the time frame covers the period from January 1, 2024, to December 31, 2024 (hereinafter referred to as the "reporting period," "this year," or "2024").

1.3 Obtaining the Report

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

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

1.4 Explanation of References

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

1.5 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.

Postal Code: 215617

Tel: 0512-58291688

Email: office@junmachina.com

1.6 Other Statement

We guarantee that the content of this report does not contain any false records, misleading statements, or significant omissions, and assume individual and joint responsibility for the truthfulness, accuracy, and completeness of its content.



2 Message from Chairman



Dear shareholders, customers, partners, and employees,

The year 2024 was one of both challenges and opportunities. Globally, the pace of economic recovery accelerated, yet geopolitical tensions and supply chain disruptions persisted. Domestically, China's economy maintained steady growth, with green development and the *dual-carbon* goals presenting new opportunities and challenges for businesses. Against this backdrop, we proactively adapted to external changes, steadily advanced its operations, and achieved remarkable results.

Over the past year, we enhanced product quality and production efficiency through technological innovation and management optimization. By adopting advanced twisting equipment and automated production processes, we continuously developed new technologies, optimized workflows, and significantly reduced energy consumption and

waste emissions. Notably, we expanded our 60,000-ton polyester tire cord fabric project, solidifying our position with the largest production capacity in China.

In environmental protection, we remain committed to green production and energy conservation, and have obtained ISO 14001 Environmental Management System certification. We ensure compliant emissions of waste (water, gas, and solid waste) and strive to build a green factory to achieve multi-faceted progress in energy efficiency, resource conservation, and emission reduction. Additionally, we actively promote circular economy, maximizing resource efficiency and waste recycling.

Regarding social responsibility, we prioritize employee development and welfare, establishing a dual-track career advancement system and a fair performance evaluation mechanism. We provide multi-level, theme-based trainings to help employees build up their skills. Furthermore, we are dedicated to offering a safe, healthy, and equitable workplace. Automation in workshops has significantly reduced labor intensity, while regular occupational hazard assessments and timely distribution of protective equipment foster a secure and comfortable working environment. Beyond our workforce, we engage in community initiatives, supporting education, environmental protection, and poverty alleviation to contribute to social harmony.

When it comes to corporate governance, we uphold integrity and transparency. We have implemented a robust internal control and risk management system, regularly assessing and addressing potential risks in ethics, financial compliance, supply chains, and labor rights to ensure sustainable development. By strengthening internal audits and oversight, we enhance governance standards, ensuring compliance, efficiency, and investor confidence. Through regular communication and disclosures, we reinforce trust with stakeholders and convey our commitment to social responsibility across the supply chain, further boosting competitiveness.

2025 will be a pivotal year for sustainable development. Guided by Junma Group's core values—"*Discipline, Pragmatism, Dedication, and Progress*", we will advance our ESG strategy, balancing economic, environmental, and social benefits. We will continue to innovate, improve product quality, expand markets, and drive high-quality growth.

We sincerely appreciate our investors, customers, partners, and employees for your unwavering support and trust. It is through our collective efforts that our company continues to progress on the path of sustainability.

Chairman

03

About us

3.1 Company Introduction

3.2 Business Layout

3.3 Corporate Culture

3.4 Qualifications and Honors



3 About us

3.1 Company Introduction

Zhangjiagang Junma Polyester Fibre Products Co.Ltd., a subsidiary of Junma Group, which is a key enterprise in Jiangsu Province, was established in June 2002. It specializes in the production of polyester industrial yarn/cord fabric and nylon industrial yarn/cord fabric, with an annual output of 5,000 tons of polyester industrial yarn, 110,000 tons of polyester cord fabric, 15,000 tons of nylon industrial yarn, and 15,000 tons of nylon cord fabric. The company occupies an area of 18 hectares, with a building area of 90,000 square meters and a green area of 6,000 square meters, making it a garden-style enterprise. The company's polyester cord fabric products have been awarded the recommended brand by the national industry association. In 2007, the company was honored as the "Pilot Enterprise Suzhou Circular Economy".



Established in
June 2002



Polyester Industrial Yarn
5,000 tons



Polyester Tire Cord fabric
110,000 tons



Nylon Industrial Yarn
15,000 tons



Nylon Tire Cord Fabric
15,000 tons



Site Area
18 hectares
(180,000 m²)



Total Construction Area
90,000 m²



Green Space
6,000 m²

3.2 Business Layout

The company's flagship product, polyester cord fabric, is not only supplied to numerous well-known tire companies in China but also exported to various countries and regions such as Southeast Asia, India, Japan, South Korea, and Europe. Our business scope has expanded from solely supplying tire customers to different fields such as air springs and air suspension systems, making us a leading player in the industry.



3.3 Corporate Culture

Enterprise Spirit
Rigorous, Practical, Dedicated, and Development-oriented.

Core Values
Prioritize quality and satisfy customers as our corporate mission.
Aim to lead domestically and catch up globally as our corporate goal.
Strive for excellence and never settle for mediocrity as our corporate style.

Corporate Vision
Lead the domestic tire reinforcement material industry, collaborate with top enterprises, and become an excellent and global partner across the entire industry chain.

Corporate Culture

Corporate Belief
Create a beautiful environment, cultivate outstanding talents, produce high-quality products, and provide excellent services.

Social Responsibility Concept
Jointly create economic wealth and share development achievements.
Jointly develop green products and share a blue sky and clean water.
Jointly build a harmonious society and share a better life.

Social Responsibility Vision
Prioritize ecology and pursue green development. Adopt advanced energy-saving and emission-reduction technologies to become a leader in "clean production and green development" within China's tire reinforcement material industry.

3.4 Qualifications and Honors

The company continuously optimizes its management capabilities and strengthens external cooperation. We are committed to ensuring stable operations while creating value for society. Currently, our company has been a member of the Responsible Supply Chain Initiative (RSCI) and obtained multiple sustainable development-related certifications such as ISO 14001 and ISO 45001.



Qualifications

Member Unit of the Overseas Development Association

Member Unit of the China National Chemical Fibers Industry Association

Honors

National Intellectual Property (IP) Demonstration Enterprise

Advanced Enterprise in High-Quality Development

Jiangsu Provincial Landmark Enterprise

Jiangsu Provincial Excellent Enterprise in Management Innovation

Jiangsu Provincial Demonstration Smart Workshop

Suzhou Municipal Demonstration Enterprise in Credit Management

04

Integrity and Compliance Governance

4.1 Governance Structure

4.2 Business Ethics

4.3 Risk Management and Internal Control

4.4 Information Security and Privacy Protection

4.5 ESG Governance Structure

4.6 Sustainable Development Policies and Guidelines

4.7 Responding to the United Nations Sustainable Development Goals (SDGs)

4.8 Stakeholder Communication

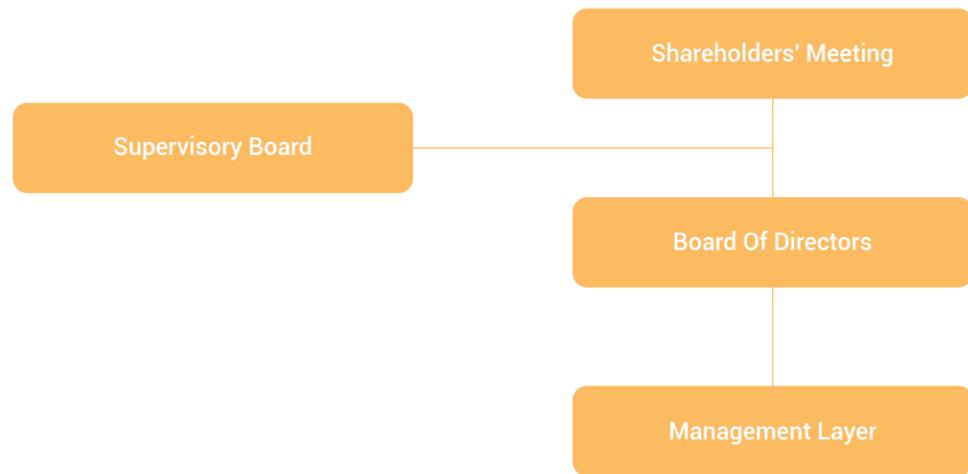
4.9 Assessment and Determination of Material Issues



4 Integrity and Compliance Governance

4.1 Governance Structure

Our company strictly abides by relevant laws and regulations such as the *Company Law of the People's Republic of China*, and has established a corporate governance structure comprising the shareholders' meeting, board of directors, board of supervisors, and management layer. The "three meetings and one layer" operate with norms in place, and there are clear responsibilities, efficient collaboration, and mutual checks and balances among the power organization, decision-making organization, supervisory organization, and management layer. We continuously improve the internal control system and enhance governance levels to promote standardized operations, ensuring the company's steady development on the basis of compliance, transparency, and efficiency, and effectively safeguarding the legitimate rights and interests of the company and all shareholders.



4.2 Business Ethics

Junma Polyester firmly believes that integrity is the cornerstone for the company's long-term development. Since its establishment, business ethics has always been one of the core components of our corporate governance. The company strictly complies with relevant laws and regulations, including the *Company Law of the People's Republic of China*, and has implemented a series of internal rules and regulations in anti-corruption, anti-bribery, and integrity self-discipline. Various measures are actively taken to ensure that all employees comply with the company's business ethics management regulations in their daily business operations.

4.2.1 Anti-Corruption and Anti-Bribery

The company attaches great importance to integrity building and holds a zero-tolerance attitude towards corruption and bribery. By formulating anti-corruption and anti-bribery policies, establishing whistleblowing and complaint mechanisms, conducting anti-corruption training, requiring key personnel to sign *Integrity Self-Discipline Agreements*, incorporating anti-corruption and anti-bribery requirements into the *Compliance Manual*, and focusing on issues such as position encroachment, fund embezzlement, and bribery of non-state personnel, the company continuously improves integrity building within itself and its value chain.

Anti-Corruption and Anti-Bribery Training

Junma Polyester conducts training on anti-corruption and anti-bribery for its employees. The training introduces two major types of corruption: infringement-based corruption and profit-seeking corruption. Through vivid cases and in combination with laws and regulations such as the *Criminal Law of the People's Republic of China*, participants are informed of the serious consequences that corruption and bribery may bring. The training advocates for employees to adhere to two bottom lines, remember one ironclad rule, overcome three types of psychology, strengthen four types of awareness, and stay away from corruption and bribery.



During the reporting period, the number of confirmed corruption litigation cases was 0.

4.2.2 Anti-Unfair Competition

The company strictly complies with relevant laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, conducting business activities based on the principles of voluntariness, equality, fairness, and integrity. It conscientiously fulfills the work requirements of fair trading, integrity, and compliance, firmly opposes unfair competition, and maintains the order of legitimate competition in the industry.

During the reporting period, the company did not receive any penalties for violating anti-monopoly and anti-unfair competition laws and regulations.

4.2.3 Avoidance of Conflicts of Interest

The company declares relevant regulations regarding the avoidance of conflicts of interest to all employees in the *Employee Handbook*.

- 1 Employees need to adhere to the principle of integrity, avoid conflicts of interest, and ensure that they are not interfered with by personal interests when performing duties and handling business affairs.
- 2 The company will establish clear conflict of interest review procedures to review and evaluate the disclosure of conflicts of interest provided by employees, ensuring the fairness and transparency of decisions and actions.
- 3 In cases of conflicts of interest, the company will take appropriate measures, such as reallocating responsibilities, restricting or prohibiting relevant personnel from participating in specific businesses, to ensure the implementation of principles of fairness and impartiality.

4.2.4 Complaint and Grievance Channels

The company encourages stakeholders to make real-name reports on any actual or potential violations of business ethics principles, and provides an anonymous complaint and reporting mechanism for all stakeholders at the same time. We continuously expand complaint and reporting channels and regularly evaluate their rationality and effectiveness to ensure the convenience of complaints and the timeliness of responses to expectations and demands. We commit to strictly keeping confidential the personal information of reporters and prohibiting any possible targeted retaliation or threats.

Complaint and Grievance Channels	Hotline: 0512-58117752	Email Address: 295062893@qq.com
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4.3 Risk Management and Internal Control

Junma Polyester strictly complies with the *Company Law of the People's Republic of China* and establishes a comprehensive risk management framework to identify, manage, supervise, and control various types of risks by referring to relevant laws and regulations such as the *Basic Standards for Enterprise Internal Control and China Internal Audit Standards*. The company actively promotes the institutionalization and standardization of audit work and leverages internal audits to strengthen internal control and enhance risk management.

The company incorporates ESG risks into its risk management and control system and continuously examines those risks related to the environment, society, and governance. In addition to the company operations, our risk management and control also encompass external stakeholders such as suppliers and customers.

During the reporting period, the company conducted risk assessments in areas such as integrity and self-discipline, social responsibility, labor rights, and business ethics. Through special actions, it actively identified potential risk types the company may face in terms of ESG, analyzed the impact of these risks, and formulated practical and effective prevention and mitigation measures based on the company's actual situation.

Special Actions	
 Risk Assessment of Integrity and Self-Discipline	<p>Action: Identification of potential risks by key departments in terms of integrity and self-discipline within their respective business scopes.</p> <p>Results: The special action covered the company's human resources department, business department, procurement department, finance department, and management, identifying 11 potential risks across 6 key positions and conducting a detailed assessment of risk consequences, likelihood, and severity. Based on the assessment results, 20 key control measures were formulated to effectively reduce the possibility of negative impacts of integrity and self-discipline risks on the company.</p>
 Internal Audit of Social Responsibility	<p>Action: An audit implementation regarding the company's social responsibility performance and compliance with laws and regulations was conducted.</p> <p>Results: This audit covered 11 aspects, including compliance with laws, freedom of association and collective bargaining rights, prohibition of discrimination, compensation, and occupational health and safety. Four corrective and preventive measures for nonconformities were proposed, effectively ensuring the legal protection of employees' safety, fire protection, hygiene, and social responsibility rights and interests in the workplace and daily life by leveraging the important role of internal audits.</p>
 Risk Assessment Related to Labor Human Rights Conduct	<p>Action: Comprehensively identify and sort out potential risks in the company's labor management and business conduct.</p> <p>Results: A risk assessment of 23 potential risks in labor management and business ethics was conducted, providing a reference for the company's risk prevention and control as well as the improvement of internal policies and measures.</p>

4.4 Information Security and Privacy Protection

The company attaches great importance to information security management and strictly complies with laws and regulations and related systems such as the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. By establishing a security responsibility system, an information security emergency response plan, an information release review system, and confidentiality systems, it effectively ensures the security of data and information for the company, employees, and customers.

Key Performance Indicators of Information Security

Indicator	Unit	Performance in 2024
Number of Identified Information Security Incidents Pieces	times	0
Number of Identified Information Security Incidents Pieces	times	0
Total Number of Illegal or Violative Events in Terms of Customer Privacy Pieces	times	0

Our company values employees' personal privacy and information security. Employee privacy protection clauses are included in contracts when signing with new employees, and we incorporate information and privacy security protection content into new employee training to ensure that employee information protection policies and procedures are effectively communicated.

4.5 ESG Governance Structure

Junma Polyester attaches great importance to sustainability and has established a sustainable development working group to continuously promote the implementation of various ESG initiatives within the company.

The sustainable development working group has established a working mechanism led by the group leader, coordinated by the deputy group leader, and implemented by group members. The board of directors of the parent company, Junma Group, is responsible for reviewing and deciding on key ESG matters of its subsidiaries. The general manager of Junma Polyester serves as the group leader of the sustainable development working group, responsible for planning the company's sustainable development strategy. The deputy group leader is appointed by the management representative, responsible for translating the strategic direction of sustainable development into actionable plans based on the company's actual situation. The members of the sustainable development working group consist of relevant departments, integrating sustainable development work into their respective departmental duties according to the action plan.

ESG Governance Structure

Junma Group Board of Directors	Review and Decision-Making
Sustainable Development Working Group Leader	Strategic Planning for Sustainable Development
Sustainable Development Working Group Deputy Leader	Transformation of Strategy into Practical Plans
Sustainable Development Working Group Members	Promotion of ESG-related Work in Various Departments

4.6 Sustainable Development Policies and Guidelines

As a responsible enterprise, Junma Polyester not only focuses on its own operations and development but also emphasizes harmonious progress in environmental, social, and governance aspects.

We have formulated sustainable development guidelines for ESG governance, committed to protecting the environment, fulfilling social responsibilities, and establishing a sound management system while achieving company development, contributing to sustainable development.

Environmental Guidelines

- Reduce greenhouse gas and waste emissions.
- Reduce resource consumption.
- Promote circular economy.
- Focus on ecological protection.

Social Guidelines

- Promote employment.
- Enhance employee experience.
- Establish good community relations.
- Contribute to society.

Governance Guidelines

- Operate in compliance.
- Build a sound management system.
- Pay attention to business ethics.
- Strengthen internal communication.

4.7 Responding to the United Nations Sustainable Development Goals (SDGs)

Junma Polyester actively responds to the United Nations Sustainable Development Goals. We correlate our actual operations with the 17 UN SDGs, identify those highly relevant to our company's operations, and actively address 14 of the SDGs, contributing to the achievement of the overall 2030 goals.

Sustainable Development Goals (SDGs)	Our Actions
	Actively participate in social public welfare activities.
	Focus on employee health protection, provide a safe working environment, organize regular health check-ups for employees, and ensure the implementation of all safety protection measures.
	Emphasize employee personal development and improvement, provide various training courses for employees, and achieve mutual growth between employees and the enterprise.
	Advocate for equal employment, adhere to equal pay for men and women, and provide equal employment opportunities for women.
	Ensure compliant discharge of wastewater, improve water use efficiency through process improvements and equipment modifications, conduct water-saving activities, and advocate for employees to reduce water waste in their daily work.
	Actively explore opportunities for clean energy utilization, build and adopt photovoltaic systems to achieve partial electricity from renewable sources.
	Establish and improve a comprehensive employee welfare system, ensure employees' legitimate rights and interests, resolutely oppose child labor, forced labor, etc. Ensure employee salary meets local subsistence wage requirements and provide decent work for employees.

Sustainable Development Goals (SDGs)	Our Actions
	Strictly control the source and quality of product raw materials. Collaborate with the industry chain to explore sustainable production and consumption models to achieve circular economy. Actively engage in product research and development innovation to provide better products to the market.
	Strictly comply with relevant laws and regulations, strive to eliminate all forms of inequality. Prohibit discrimination against any group, and create a diverse, equal, and inclusive work environment for different groups.
	Strictly control product quality to ensure product safety. Actively engage in waste management to ensure safe and environmentally friendly disposal of waste.
	Systematically identify, assess, and manage risks and opportunities related to climate change in accordance with relevant guidelines. Formulate action plans for addressing climate change. Strengthen internal promotion related to climate action within the company.
	Conduct comprehensive assessments to ensure that company operations do not negatively impact biodiversity.
	Follow laws and regulations to form a well-structured and clearly defined governance framework. Build a transparent, compliant, efficient, and responsible organization, and actively engage in the management of business ethics risks.

4.8 Stakeholder Communication

During the reporting period, the company engaged in communication with internal and external stakeholders through various channels and conducted questionnaire surveys to ascertain the level of concern each stakeholder group had regarding different issues, in order to meet their expectations.

Stakeholders	Communication Channels	Key Issues of Concern	Our Responses
<p>Government and Regulatory Bodies</p>	<ul style="list-style-type: none"> Regulatory communications Government announcements 	<ul style="list-style-type: none"> Corporate Governance Privacy and Data Security Protection Business Ethics Product Quality and Safety 	<ul style="list-style-type: none"> Comply with legal and regulatory requirements Pay taxes in accordance with the law Conduct information disclosure
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> Performance reports Shareholders' meetings Company website and email 	<ul style="list-style-type: none"> Corporate Governance Business Ethics Research and Development - Product Quality and Safety 	<ul style="list-style-type: none"> Timely disclose the company's development status to shareholders and investors Gain support from shareholders and investors for management decisions Generate investment returns for shareholders and investors
<p>Customers</p>	<ul style="list-style-type: none"> Product sales and promotion Customer audits Customer needs surveys After-sales service Customer satisfaction surveys 	<ul style="list-style-type: none"> Research and Development Privacy and Data Security Protection Supply Chain Management 	<ul style="list-style-type: none"> Establish a customer complaint and response mechanism Optimize full-lifecycle product services Sign customer privacy confidentiality agreements

Stakeholders	Communication Channels	Key Issues of Concern	Our Responses
<p>Employees</p>	<ul style="list-style-type: none"> Employee visits Employee satisfaction surveys Employee general meetings Training sessions and interviews Communication meetings 	<ul style="list-style-type: none"> Health and Safety Employee Rights and Welfare Diversity, Equal and Inclusive Trainings and Development 	<ul style="list-style-type: none"> Improve the occupational health management system Conduct employee satisfaction surveys and actively seek improvement plans based on the analysis results Provide competitive remuneration and benefits packages Ensure compliant employment practices Safeguard employees' freedom of association
<p>Suppliers</p>	<ul style="list-style-type: none"> Supplier conferences Contract signing and execution Supplier training Supply chain assessments and audits 	<ul style="list-style-type: none"> Supply Chain Management Product Quality and Safety 	<ul style="list-style-type: none"> Strictly manage the quality and safety of incoming materials Implement supplier social responsibility management Conduct on-site training and audits to enhance supplier capabilities
<p>Community and the Public</p>	<ul style="list-style-type: none"> Visits and surveys to understand community needs 	<ul style="list-style-type: none"> Community Relationship 	<ul style="list-style-type: none"> Participate in community public welfare activities Support local industrial chains and employment
<p>Industry</p>	<ul style="list-style-type: none"> Forums and seminars Formulation of industry standards Project collaborations Visits and exchanges 	<ul style="list-style-type: none"> Research and Development Product Quality and Safety Industry Development 	<ul style="list-style-type: none"> Actively engage in innovative R&D activities Launch collaborative projects to enhance product quality through teamwork

Stakeholders	Communication Channels	Key Issues of Concern	Our Responses
 <p>Non-Governmental Organizations (NGOs) and Relevant Institutions</p>	<ul style="list-style-type: none"> Share corporate experiences Participate in conferences, forums, and other events International exchanges and communications 	<ul style="list-style-type: none"> Climate Change Adoption and Mitigation Supply Chain Management Talent Attraction and Retention Employee Rights and Welfare 	<ul style="list-style-type: none"> Disclose and communicate on issues of external concern Participate in relevant forums and seminars
 <p>Environment</p>	<ul style="list-style-type: none"> Environmental information disclosure 	<ul style="list-style-type: none"> Emission and Waste Management Resource Management Climate Change Adoption and Mitigation GHG Emissions Biodiversity 	<ul style="list-style-type: none"> Establish a comprehensive environmental management system Promote the company's transition to low-carbon and energy-efficient operations Actively manage risks and opportunities related to climate change Ensure compliant waste disposal

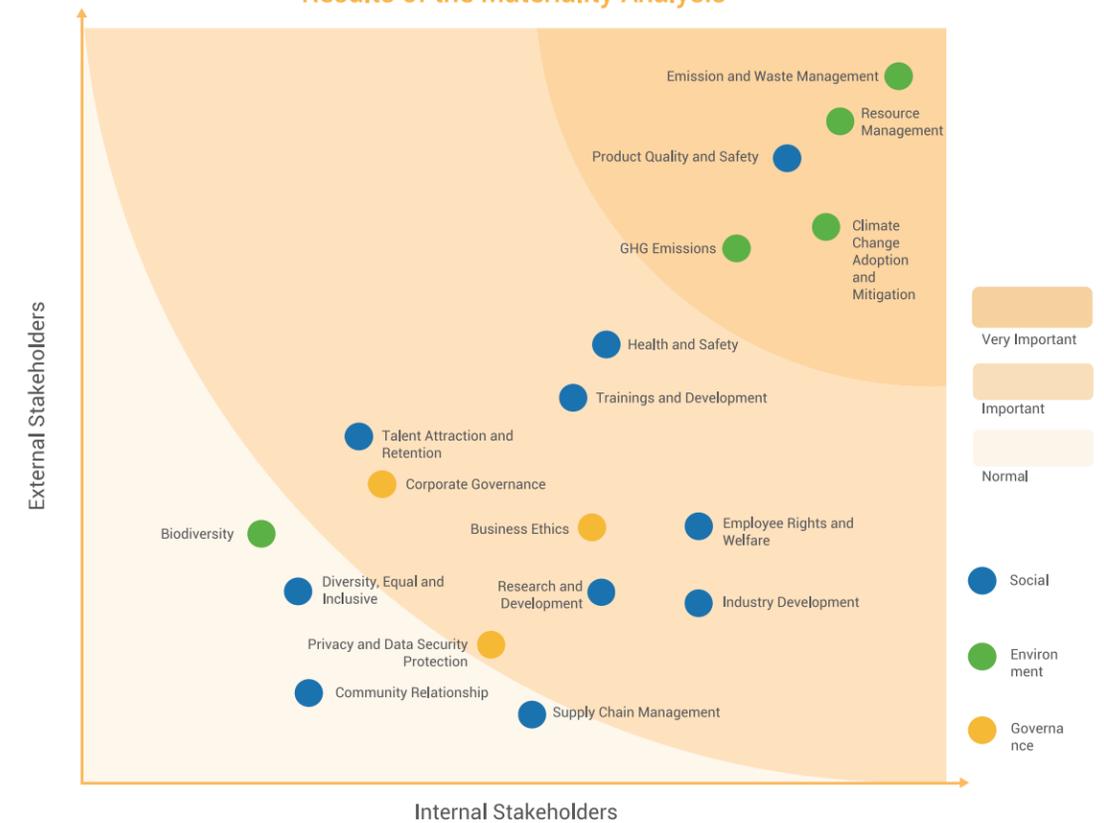
Assessment

Based on the survey results, comprehensively consider the impact of the company's ESG management and operations on stakeholders, and assess the degree of stakeholder concern regarding the issues.

Verification

In combination with the company's strategic planning and operating principles, verify the assessment results of material issues and derive a list of highly material issues.

Results of the Materiality Analysis



4.9 Assessment and Determination of Material Issues

The company conducts the identification, screening, and importance assessment of ESG material issues by referring to the requirements of *GRI 3: Materiality 2021* through the following methods:

Review

Conduct an internal and external environmental analysis, combining industry characteristics, the company's actual situation, and stakeholder feedback, to provide a reference basis for material issue analysis.

Identification

Based on international trends, national policy orientations, ESG standard analysis, industry benchmarking, and stakeholder survey results, identify material issues that are highly relevant to the company. Based on the survey results, comprehensively consider the impact of the company's ESG management and operations on stakeholders, and assess the degree of stakeholder concern regarding the issues.

Very Important	Important	Normal
<ol style="list-style-type: none"> Emission and Waste Management Resource Management Product Quality and Safety Climate Change Adoption and Mitigation GHG Emissions 	<ol style="list-style-type: none"> Health and Safety Trainings and Development Employee Rights and Welfare Talent Attraction and Retention Corporate Governance Business Ethics Industry Development Research and Development Privacy and Data Security Protection 	<ol style="list-style-type: none"> Biodiversity Diversity, Equal and Inclusive Community Relationship Supply Chain Management

05

Environmental Sustainable Development

- 5.1 Environmental Management
- 5.2 Management of Waste Gas, Waste Water, Solid Waste, and Noise
- 5.3 Chemical Management
- 5.4 Energy and Carbon Emission Management
- 5.5 Water Resource Conservation
- 5.6 Climate Change Adoption
- 5.7 Biodiversity



5 Environmental Sustainable Development

Junma Polyester adheres to the principle of harmonious coexistence between humanity and nature, consistently applies a full lifecycle mindset, continuously strengthens the construction and improvement of its environmental management system, and promotes the rational utilization of natural resources. The company strives to build a resource-saving and environment-friendly enterprise and actively responds to climate change with a responsible attitude.

5.1 Environmental Management

The company strictly complies with national and local environmental protection laws and regulations, which serve as the baseline and guidelines for its environmental management. Through a series of measures such as improving management systems and obtaining system certifications, the company ensures the standardization and effectiveness of its environmental management.

5.1.1 System Development

Environmental Policy	Comply with environmental regulations, enhance environmental awareness, implement environmental control, and improve environmental performance.
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In accordance with the ISO 14001 management system requirements, Junma Polyester has compiled the *Environment, Occupational Health, and Safety Management Manual* based on its actual situation as a programmatic document for the company's environmental management. Additionally, the *Environmental Factor Control Procedures* have been formulated to identify significant environmental factors and control them through target and indicator programs.

Environmental Performance Metrics	Unit	2022		2023		2024		2025
		Goal	Performance	Goal	Performance	Goal	Performance	Goal
Hazardous Waste Spill Incidents	Incidents	0	0	0	0	0	0	0
Other Pollution Incidents	Incidents	0	0	0	0	0	0	0
Production Wastewater	Zero Discharge							
Domestic Wastewater Discharge Qualification Rate	100%	100%	100%	100%	100%	100%	100%	100%
Rainwater Discharge Outlet pH Qualification Rate	100%	100%	100%	100%	100%	100%	100%	100%
Rainwater Discharge Outlet COD Qualification Rate	100%	100%	100%	100%	100%	100%	100%	100%
Dipping Glue Exhaust Emission Qualification Rate	100%	100%	100%	100%	100%	100%	100%	100%
Polymerization Spinning Exhaust Emission Qualification Rate	100%	100%	100%	100%	100%	100%	100%	100%

Environmental Performance Metrics	Unit	2022		2023		2024		2025
		Goal	Performance	Goal	Performance	Goal	Performance	Goal
Annual Disposal Quantity of Dipping Glue Sludge	tons/year	150.00	132.45	150.00	128.59	150.00	82.95	150.00
Annual Disposal Quantity of Waste Spinning Oil Agent	tons/year	150.00	113.01	150.00	138.56	150.00	128.21	150.00
Annual Disposal Quantity of Waste Packaging Bags	tons/year	5.00	2.48	5.00	4.93	5.00	2.78	5.00

Furthermore, Junma Polyester strictly complies with applicable environmental protection laws, regulations, and industry standards in its operating locations, such as the *Environmental Protection Law of the People's Republic of China*, the *Clean Production Promotion Law of the People's Republic of China*, and the *Regulations on the Administration of Environmental Protection for Construction Projects*. The company has formulated normative documents including the *Leak Prevention Management System* and the *Emergency Response Plan for Environmental Incidents of Zhangjiagang Junma Polyester Products Co., Ltd. - Junma Polyester Co., Ltd.*, to minimize the impact of its operations on the environment.

Liquid Ammonia Leak Emergency Response Drill in 2024

To test the adequacy and rationality of the company's emergency rescue teams and equipment, the power plant workshop conducted a liquid ammonia pipeline leak drill. The drill included site layout, plan activation, accident rescue, and other links, covering the entire process from accident occurrence to the end of rescue. This drill further clarified the responsibilities of each department and improved the skills of rescue personnel and accident prevention capabilities.

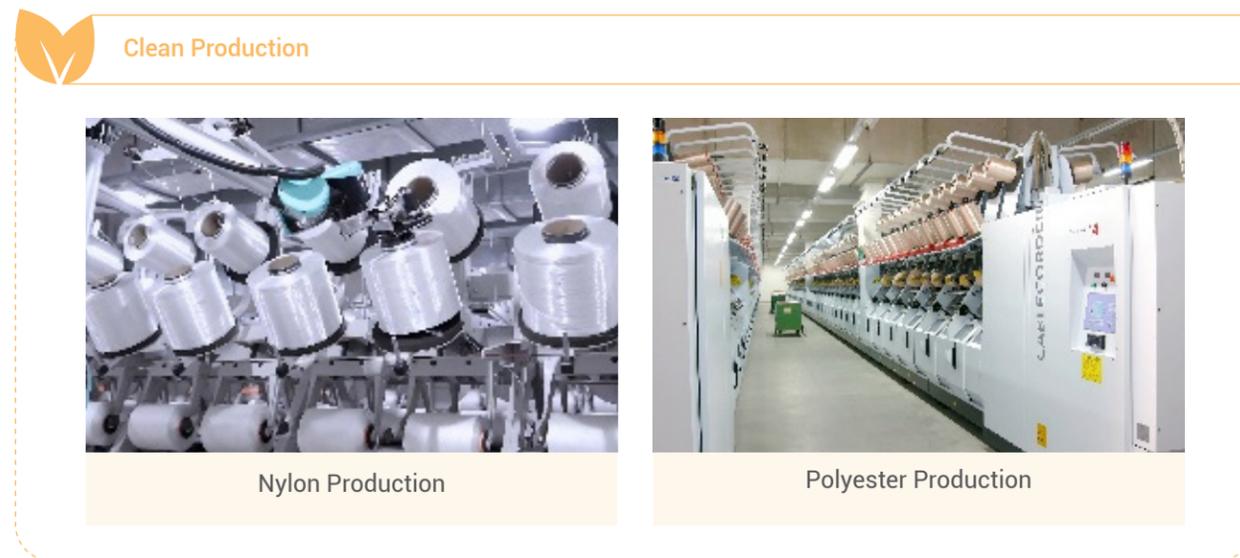


5.1.2 Environmental Certification

As of the end of this report, Junma Polyester has only one domestic production base, which has obtained ISO14001 environmental management system certification. Through annual internal and external audits, the effectiveness of the system is ensured. The current latest certificate is valid from May 16, 2024, to May 15, 2027.



Recognizing the significance of cleaner production in effectively controlling environmental pollution, reducing the burden of end-of-pipe treatment, and enhancing organizational management levels, Junma Polyester officially initiated cleaner production audits in March 2023. Based on the requirements of the Ministry of Ecology and Environment's Cleaner Production Audit Measures and other documents, a comprehensive evaluation of the cleaner production levels of nylon fiber manufacturing and polyester manufacturing was conducted. In December of the same year, it successfully passed the audit of the Zhangjiagang Ecological Environment Bureau, with both products achieving a comprehensive cleaner production level of Grade II, which is at the advanced domestic level of cleaner production.



5.2 Management of Waste Gas, Waste Water, Solid Waste, and Noise

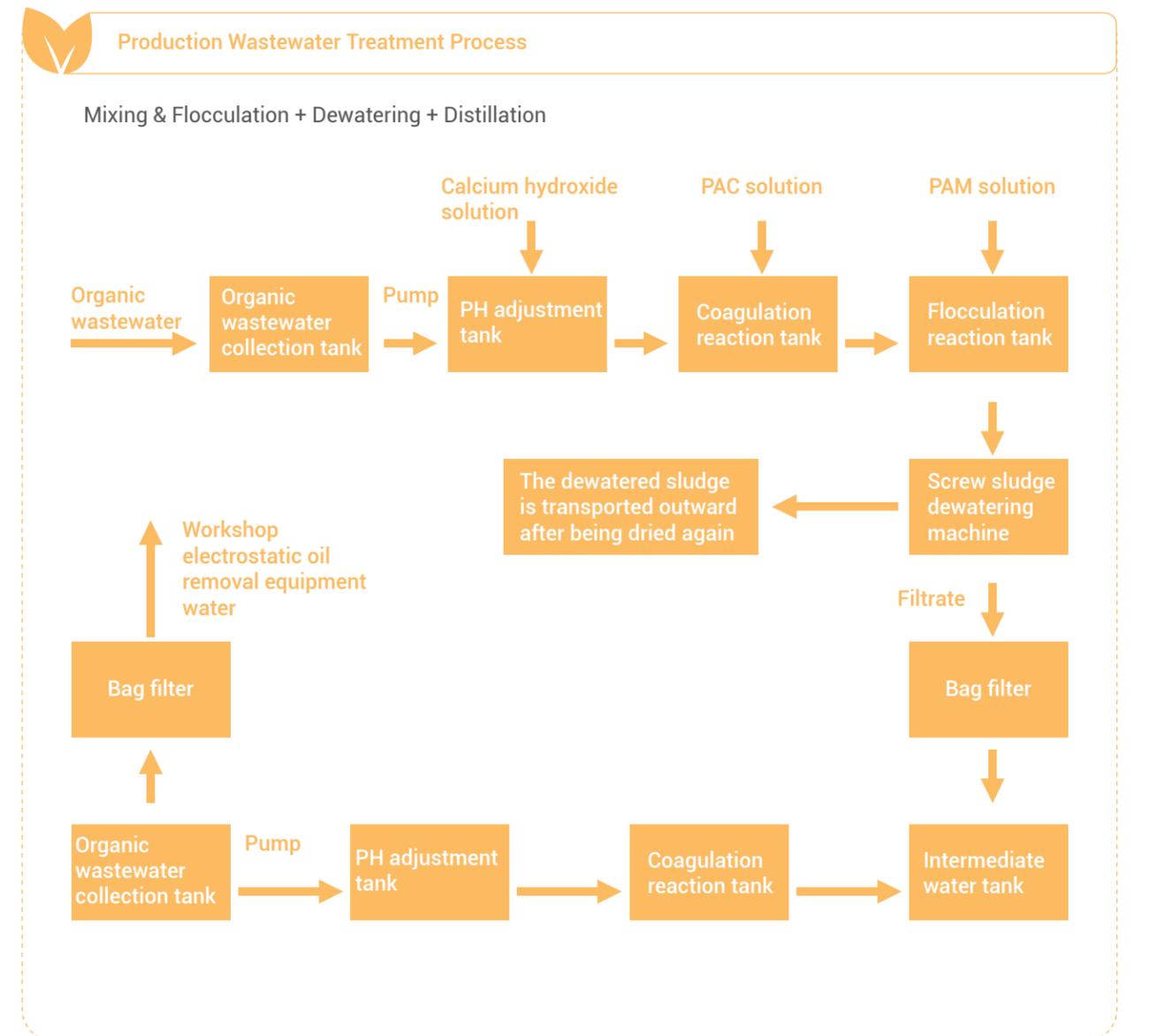
Junma Polyester strictly controls the emission of pollutants such as waste gas, wastewater, solid waste, and noise in its production and operating activities to reduce negative environmental impacts. As of the end of this report, the company's total waste gas and wastewater emissions, as well as their concentrations, have met emission standards. The qualified rate of hazardous waste disposal is 100%. Noise levels meet the Class 3 standards in the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008), with minimal impact on surrounding noise levels.

5.2.1 Wastewater Management

The company's plant area implements rainwater and sewage diversion, with one domestic sewage discharge outlet and two rainwater discharge outlets. Since initial rainwater comes from outdoor floors, roofs, and greenbelts, and there are no outdoor production facilities in the plant area, all production and storage facilities are located within workshops and other structures, the initial rainwater does not come into contact with various organics,

so an initial rainwater tank is not set up. Rainwater is collected through the rainwater pipeline network and discharged into a nearby river. The domestic sewage discharge outlet is located within the company's plant area. After pretreatment in the septic tank, it is discharged into the municipal sewage pipeline along with cooling tower drainage and ultimately enters the third wastewater treatment plant of Zhangjiagang Water Supply and Drainage Company for further treatment before discharge.

The company's dip-coating equipment cleaning wastewater, spinning component cleaning wastewater, floor cleaning water, and waste gas spray wastewater are all collected and enter the wastewater treatment station shared with Junma Tyre Cord Co., Ltd. for treatment. After treatment, the reclaimed water is reused in the spray process, achieving zero discharge of production wastewater. The sludge is disposed of by qualified units.



In addition, the company has set up a 200m³ emergency tank for wastewater discharge in emergency situations.



Emergency Tank

The company has completed the application for a wastewater discharge permit and strictly implemented the self-monitoring plan according to the self-monitoring requirements of the permit. In 2024, the detection pass rates of both domestic sewage and rainwater discharge outlets of the company were 100% compliant.

Monitoring Objects	Frequency, and Methods
Flow rate, COD, and ammonia nitrogen content at the wastewater outlet	Monitored in real-time with automatic monitoring equipment, with data synchronously transmitted to the municipal environmental protection bureau.
pH value, suspended solids, total phosphorus, total organic carbon, BOD, and total carbon content at the wastewater outlet:	Tested every six months by a third-party testing agency hired by the company, with a testing report issued.
pH value, COD, and ammonia nitrogen content at the rainwater discharge outlet	Tested monthly by a third-party testing agency hired by the company, with a testing report issued.

5.2.2 Waste Gas Management

The main sources of waste gas in the company are the waste gas produced during slicing, spinning, dipping, and drying processes, containing pollutants such as particulate matter, non-methane total hydrocarbons, and ammonia. In 2024, after treatment by the plant's waste gas treatment facilities, both organized and unorganized waste gas emissions fully met the emission limit requirements of the *Integrated Emission Standard of Air Pollutants (DB32/4041-2021)* and the *Emission Standard for Odor Pollutants (GB 14554-93)*.

Waste Gas Type	Treatment Process	Equipment Photo
Feedstock dust	Unorganized emission after cyclone dust removal.	
Dust and non-methane total hydrocarbons (including acetaldehyde) from crystallization, solid-phase viscosity increase, and cooling processes	Dust and organic waste gas are treated by nitrogen circulation and bag filter dust removal, while non-methane total hydrocarbons are treated by a nitrogen purification system with "catalytic combustion + molecular sieve adsorption" before unorganized emission.	
Non-methane total hydrocarbons from oiling and drawing processes	Collected by a hood, treated by "water spray + electrostatic oil removal", and then discharged through a 15m-high exhaust stack	
Non-methane total hydrocarbons and particulate matter from vacuum calcination tail gas of spinning components	Pretreated by "water spray", then connected to the oil agent waste gas treatment facility for "condensation + electrostatic oil removal" before discharge through a 15m-high exhaust stack.	

The company has formulated a waste gas monitoring plan that complies with the *Technical Guidelines for Self-monitoring of Pollutant Discharge Units in the Chemical Fiber Manufacturing Industry* (HJ1139-2020) and strictly implemented it.

Monitoring Objects	Frequency and Methods
Non-methane total hydrocarbons content at exhaust stacks	Tested monthly by a third-party testing agency hired by the company, with a testing report issued.
Particulate matter, non-methane total hydrocarbons, and acetaldehyde content at the plant boundary for unorganized emissions	Tested quarterly by a third-party testing agency hired by the company, with a testing report issued.

Environmental KPIs	Unit	Performance in 2024
Total Waste Gas Emissions ¹	tons	10.24
VOCs Emissions	tons	5.16
Particulate Matter Emissions	tons	3.63
Formaldehyde Emissions	tons	0.65
Ammonia Emissions	tons	0.80

5.2.3 Noise Management

The main sources of noise in the company are from the spinning, dipping, and other production processes. To address the noise generated during production, the company has taken noise reduction measures such as installing vibration damping pads, mufflers, sound insulation in buildings, and greening, based on the noise characteristics and operating features of the equipment. Additionally, the company hires a third-party testing agency quarterly to test the noise levels at the plant boundary and issues testing reports. In 2024, the noise emissions at the plant boundary fully met the Class 3 standards of the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008).

5.2.4 Solid Waste Disposal

General Solid Waste Disposal

The types of general solid waste generated by the company include slicing bags, waste silk, waste fabric, waste cotton yarn, waste plastic paper, waste iron, and 80% caprolactam, all of which are collected separately and sold externally. Household waste is collected within the plant and then transported and disposed of by the sanitation department. The company's general solid waste storage area covers 100 square meters and is constructed according to the relevant provisions of the *Standard for Pollution Control on the Storage and Landfill Disposal for General Industrial Solid Wastes* (GB18599-2020), with effective measures taken for anti-seepage, leak prevention, and prevention of secondary dust emissions. In 2024, all types of general solid waste generated by the company were effectively disposed of, achieving a 100% qualified disposal rate.

Hazardous Waste Disposal

The types of hazardous waste generated by the company include dipping sludge, waste packaging bags, waste lubricating oil, waste spinning oil agents, laboratory glass bottles, residuals, waste molecular sieves, waste catalysts, and waste formic acid. Based on the characteristics of different hazardous wastes, the company collects and stores them separately, with different types of hazardous waste stored separately, and regularly entrusts qualified units for disposal. The company invested more than four million yuan to upgrade the environmental protection equipment in the dipping workshop. During the reporting period, the hazardous waste generation per unit of product decreased by 29.87% compared to the previous year, with a 100% qualified disposal rate for all types of hazardous waste.



The company has legally constructed a 100-square-meter hazardous waste warehouse², taking measures for windproof, rainproof, and leakage prevention, and set up a hazardous waste information bulletin board at a prominent location to disclose information on hazardous waste generation, utilization, and disposal.



1. During the reporting period, the company's new plant site in Donglai was only undergoing a trial run, and thus environmental-related data from this site was not included within the scope of this report.
 2. The hazardous waste warehouse is shared with Junma Tyre Cord Co., Ltd.

Environmental KPIs	Unit	Performance in 2022	Performance in 2023	Performance in 2024
General Solid Waste Generation	tons	3970.19	4827.86	3696.88
General Solid Waste Generation per Unit of Product	kilograms/ton	52.11	70.05	49.13
Hazardous Waste Generation	tons	259.14	282.08	225.74
Annual Generation of Dip-coated Sludge	tons/year	132.45	128.59	82.95
Annual Generation of Waste Spinning Oil Agent	tons/year	113.01	138.56	128.21
Annual Generation of Waste Packaging Bags	tons/year	2.48	4.93	2.78
Annual Generation of Waste Lubricating Oil	tons/year	5.94	6.08	7.49
Annual Generation of Laboratory Glass Bottles and Residual Liquids	tons/year	5.26	3.92	4.31
Hazardous Waste Generation per Unit of Output	kilograms/ton	3.40	4.09	3.00

5.3 Chemical Management

In accordance with the *National Catalogue of Hazardous Chemicals*, the toxic and hazardous substances used in the company's production process include formaldehyde, benzoic acid, antioxidants, and spinning oil agents. To effectively and compliantly manage the procurement, storage, and use of hazardous chemicals, the company has formulated the *Hazardous Chemical Management System*, *Hazardous Chemical Warehouse Management System*, and *Anti-Leakage Safety Management System*. These systems require that the procurement of hazardous chemicals be conducted exclusively from enterprises with chemical operating qualifications, with specialized personnel responsible for procurement (on an as-needed basis), acceptance, accounting, storage, distribution, and requisition to ensure the safe use of chemicals. Additionally, the company has established an Emergency Command Group and formulated emergency response plans for sudden environmental events, conducting regular drills. For the chemicals involved in the company's production process, corresponding MSDS (Material Safety Data Sheets) have been collected, publicized, and posted on-site.

In 2024, there was no environmental safety accidents related to chemical use occurred.



MSDS notices posted at the production site



Spill drill for waste spinning oil agent

In accordance with the *Regulations on the Administration of Safety of Hazardous Chemicals*, the company has installed explosion-proof cabinets and hazardous chemical cabinets in the chemical warehouse, classifying and storing all hazardous chemicals based on their hazardous characteristics and health hazards.



Chemical Warehouse

5.4 Energy and Carbon Emission Management

5.4.1 Advanced Energy Efficiency Indicators

The company actively introduces advanced production equipment and technologies and carries out energy-saving technological upgrades, continuously exploring production technologies that achieve low energy consumption and low pollutant emissions while ensuring high production efficiency, striving to achieve a win-win situation for economic and environmental benefits. According to the clean production audit results in December 2023, the comprehensive energy consumption per unit of product for the company's nylon 6 (industrial use) chips and nylon 6 industrial yarn is at the advanced I-level, and the comprehensive energy consumption per unit of product for fiber-grade polyester chip spinning (chip-to-fiber) industrial yarn filament is at the moderate II-level.

Comprehensive Energy Consumption Level of Our Product

Comprehensive energy consumption per unit of nylon 6 (industrial use) chips is 128 kgce/t.

Comprehensive energy consumption per unit of nylon 6 industrial yarn is 158 kgce/t.

Clean Production Evaluation Index System for Synthetic Fiber Manufacturing (Nylon 6)

For nylon 6 (industrial use) chips, comprehensive energy consumption per unit ≤ 170 kgce/t is I-level, ≤ 180 kgce/t is II-level, and ≤ 190 kgce/t is III-level.

For nylon 6 industrial yarn, comprehensive energy consumption per unit ≤ 190 kgce/t is I-level, ≤ 210 kgce/t is II-level, and ≤ 235 kgce/t is III-level.

Comprehensive Energy Consumption Level of Our Product

Comprehensive energy consumption per unit of fiber-grade polyester chip spinning (chip-to-fiber) industrial yarn filament is 168 kgce/t.

Clean Production Evaluation Index System for Synthetic Fiber Manufacturing (Polyester Terephthalate)

For fiber-grade polyester chip spinning (chip-to-fiber) industrial yarn filament, comprehensive energy consumption per unit ≤ 165 kgce/t is I-level, ≤ 170 kgce/t is II-level, and ≤ 190 kgce/t is III-level.

5.4.2 Energy Saving and Emission Reduction

Energy-saving Technological Upgrades

The company's energy consumption mainly comes from electricity, natural gas, and steam used in production processes such as the operation of production equipment, solid-phase polymerization, and dipping and drying.

To save electricity, the company plans to invest 56.28 million yuan to upgrade 134 direct twisting machines in the twisting and weaving workshop, with a renovation period from November 2024 to December 2026. It is estimated that after the project is completed, 47.27 million kWh of electricity can be saved annually, equivalent to 14,086 tons of standard coal. At the same time, the company actively promotes the use of green energy, with a solar photovoltaic power generation capacity of 559,580 megawatt-hours in the company's plant area in 2024, accounting for about 0.26% of the total electricity consumption for the year.



Energy-saving Renovation

By changing the heavy-duty 1.0 kW spindle motor of the direct twisting machine to a new energy-saving motor with a light load of 0.75 kW and adding an air ring control sensor, the overall production structure is optimized by altering the equipment and its auxiliary structures. After the renovation, the electricity consumption is significantly reduced while ensuring the process flow remains unchanged; additionally, the stability of the air ring can be controlled, thereby reducing the air ring resistance and heat generation, achieving the purpose of reducing energy consumption.



Rooftop Photovoltaics

To save natural gas and steam usage, the company plans to invest 7.2 million yuan in the RTO waste heat recovery project renovation for dipping machines. It is estimated that after the project is completed, 958,800 cubic meters of natural gas and 2,363 tons of steam can be saved annually, equivalent to 1,448 tons of standard coal.

Waste Heat Recovery

By utilizing existing land and factory buildings, the company has renovated the RTO heat recovery system for its eight dipping machine production lines, which can reduce production costs while also reducing energy consumption.



Direct Twisting Machine Energy-saving Renovation Project

By changing the heavy-duty 1.0 kW spindle motor of the direct twisting machine to a new energy-saving motor with a light load of 0.75 kW and adding an air ring control sensor, the overall production structure is optimized by altering the equipment and its auxiliary structures. After the renovation, electricity consumption can be significantly reduced. This project involves the renovation of over 130 direct twisting machines, and it is estimated that 47.27 million kWh of electricity can be saved annually. This not only enhances the company's production efficiency but also promotes energy conservation and environmental protection, creating good economic benefits for the enterprise.



Environmental KPIs	Unit	Performance in 2024
Liquefied Natural Gas Consumption	Liters	11,040.00
Natural Gas Consumption	10,000 Cubic Meters	735.47
Diesel Usage	tons	55.94
Total Electricity Consumption	kWh	212,931,503.12
Purchased Electricity	kWh	212,371,923.12
Solar Photovoltaic Power Generation	kWh	559,580.00
Electricity Consumption Density per unit of Production	kWh/ton	3,803.00
Purchased steam volume	tons	70,114.89

Carbon Emission Accounting ³

Junma Polyester fully recognizes the importance of greenhouse gas management and actively responds to the national "Dual Carbon" targets. During the reporting period, the company conducted a preliminary inventory of greenhouse gas emissions at the organizational level and investigated the carbon emission density per unit of product (polyester dipped cord fabric) with reference to ISO 14064-1:2018 and the relevant requirements of the GHG Protocol.

3.Greenhouse gas emission data is calculated based on the ISO 14064-3:2019 accounting standard. The electricity emission factor is selected from Table 2 - "2022 Regional Average Carbon Dioxide Emission Factors for Electricity" in the "Announcement on the Release of 2022 Carbon Dioxide Emission Factors for Electricity" (Announcement No. 33 of 2024) issued by the Ministry of Ecology and Environment. Specifically, the emission factor for East China stands at 0.5617 kgCO₂/kWh.

Indicators	Unit	Performance in 2024
Scope 1 Emissions	tCO ₂ e	15,578.25
Scope 2 Emissions	tCO ₂ e	124,668.18

Measurement Equipment Provision

Furthermore, in strict accordance with the requirements of the *General Rule for Equipping and Managing Measuring Instruments of Energy Using Units (GB 17167-2006)*, the company has equipped itself with various types and levels of energy measurement instruments. During the reporting period, the company has achieved 100% equipping with third-level measurement instruments for electricity, natural gas, and steam. At the same time, an energy consumption statistics ledger has been established, and regular inspections are conducted on electrical equipment and gas pipelines to eliminate any leaks.

5.5 Water Resource Conservation

The company's purchased tap water is mainly used for three categories: production process cleaning water, office water, and canteen water. The wastewater from production process cleaning is 100% reused in cooling equipment as circulating cooling water after treatment in the on-site wastewater treatment plant, achieving zero discharge of production wastewater. For office and canteen water usage, the company actively promotes water conservation throughout the plant area by using water-saving fixtures such as water-saving flushing devices in restrooms and posting water-saving slogans in the plant area.



Water-saving Slogans

Environmental KPIs	Unit	2024
Water Intake	cubic meter	333,904.44
Municipal Water Supply	cubic meter	100,781.62
Wastewater (Reclaimed Water) from Other Enterprises or Organizations	cubic meter	233,122.82
Water Intake Intensity	cubic meter	5.86

5.6 Climate Change Adoption

5.6.1 Climate Risks and Opportunities Identification

Climate-related Risk Inventory

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



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

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

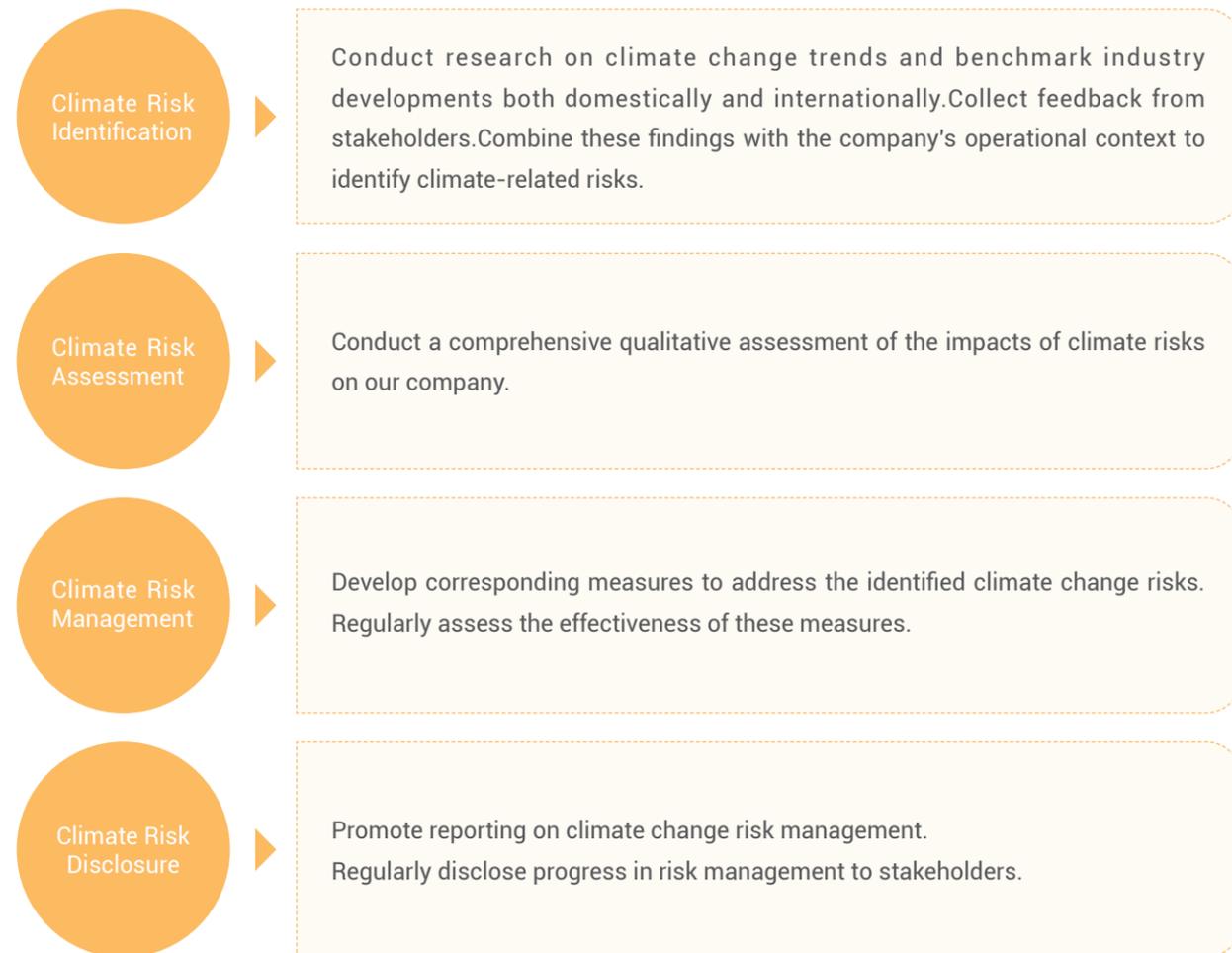
5.6.2 Climate Risk Management

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

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

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

Our climate risk management process:



5.7 Biodiversity

All new, renovation, and expansion projects of Junma Polyester are subject to ecological environmental impact assessments based on the *Technical Guidelines for Environmental Impact Assessment – Ecological Impact (HJ 19-2022)*. The assessment results indicate that the company's production bases, and operational sites do not occupy ecological red lines or controlled ecological spaces. The land used is designated as industrial land within the park's planning, with the nearest ecological conservation target being Liangfeng Ecological Park Scenic Area, located approximately 2.75 kilometers away in a straight line. None of the company's production and operational activities, products, or services have been found to have significant impacts on biodiversity. Additionally, the company strictly adheres to relevant laws, regulations, and policies such as the *Opinions on Further Strengthening Biodiversity Conservation* issued by the General Office of the State Council, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, and the *Regulations on Groundwater Management*. It regularly conducts environmental impact monitoring and discloses the monitoring results.

The latest monitoring results show that the monitoring factors at all soil monitoring points within the company's project area comply with the screening value standards for Class II land specified in the *Soil Environmental Quality: Risk Control Standard for Soil Contamination of Development Land (Trial) (GB36600-2018)*, indicating that the soil at the project site is not contaminated. Furthermore, in comparison with the classification standards in the *Quality Standards for Groundwater (GB/T14848-2017)*, the groundwater monitoring results show that factors such as pH, volatile phenols, cyanides, permanganate index, chlorides, fluoride ions, total bacterial count, sodium, arsenic, iron, chromium (VI), lead, and total coliforms meet Class I standards; ammonia nitrogen, nitrite nitrogen, sulfate ions, sulfates, cadmium, and manganese meet Class II standards; total hardness, mercury, and dissolved solids meet Class III standards; and nitrate nitrogen meets Class IV standards. These findings indicate that the groundwater quality in the area where the company is located is good.



06

Product Quality and R&D

- 6.1 Product Quality and Safety
- 6.2 Research and Innovation
- 6.3 Customer Service



6 Product Quality and R&D



Qualitative indicators

- Never infringe upon customers' human rights in the process of providing products and services.
- Continuously conduct and improve user satisfaction scores.
- Continuously releasing products that are safe for consumers.
- Increase investment in research and development, actively developing environmentally friendly products with low carbon footprints.

Quantitatively indicators

	Targets towards 2030	Performance in 2024
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

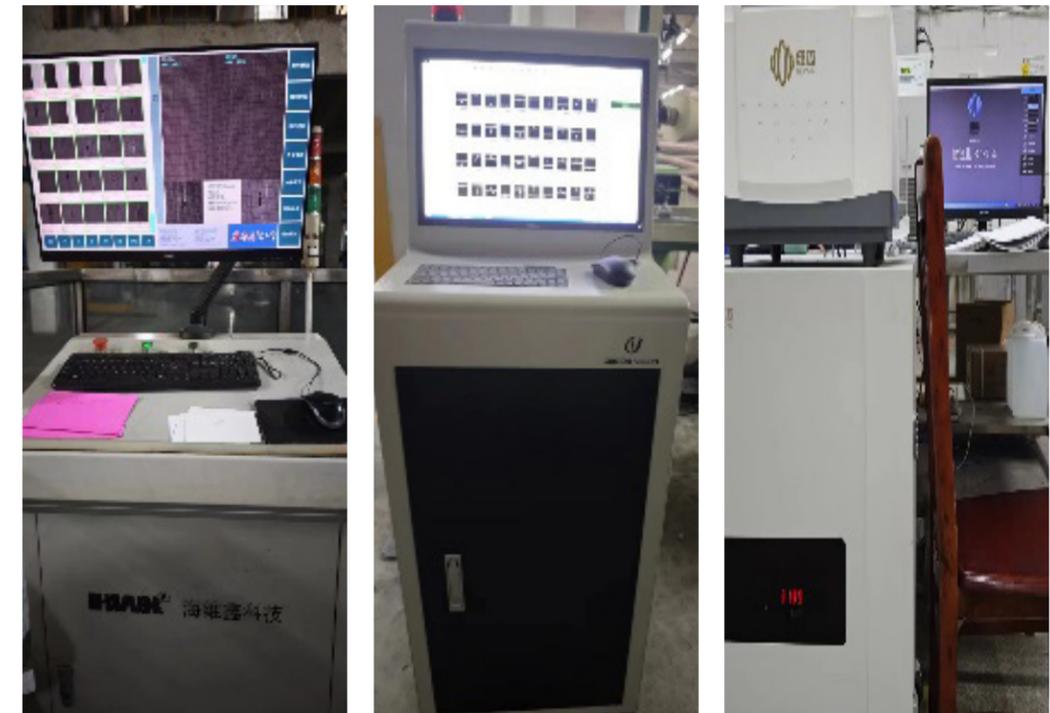
6.1 Product Quality and Safety

6.1.1 Quality Management System

To standardize product quality management and ensure compliance with laws and regulations such as the *Product Quality Law of the People's Republic of China* and the *Standardization Law of the People's Republic of China*, while also meeting customer requirements, the company continuously optimizes and effectively applies its quality management system. It sets annual quality objectives and establishes a *Quality Manual*, conducting regular product audits, process audits, and internal audits. Based on risk-based thinking, it manages customer-oriented processes (COP), support processes (SOP), management processes (MOP), and the entire system, continuously enhancing customer satisfaction.



Additionally, the company has introduced an online fabric defect detection system and a nuclear magnetic resonance fiber oil analyzer, which reduce testing errors and employee workload while improving product quality.



Online Fabric Defect Detection System and the Nuclear Magnetic Resonance Fiber Oil Analyzer

Currently, the company has obtained IATF 16949 Quality Management System certification.

IATF 16949



To improve product yield, the technical department regularly analyzes product defect causes and continuously optimizes processes and manufacturing procedures.

Solving the Problem of Edge Density in Cord Fabric Using New Irregular Reeds

After weaving cord fabric using traditional irregular reeds, the warp density tends to be denser in the middle and gradually thinner on both sides, resulting in uneven warp density on the left and right sides, which affects the dynamic balance of tires.

To address this persistent issue in production, designers drew graphs of warp density trends, conducted careful research and analysis, and optimized the density and spacing of the reed teeth, solving the problem of uneven edge density and improving product quality.

High-Modulus Low-Shrinkage Precursor Fibers and Dipped Cord Fabric

Regarding the dimensional stability of high-modulus low-shrinkage dipped cord fabric, researchers focused on the high-modulus spinning process, removing one of the three post-heating layers of the original imported equipment and using a multi-hole spinneret, significantly improving dimensional stability. Through process optimization and improvement, stable and sustainable production has been achieved.

Optimization and Improvement of Spinning Processes

During the spinning process, fibers undergo a cooling and solidification process after being ejected from the spinneret. The dead zone refers to the area where the fibers have not yet fully solidified after ejection. By adjusting the height of the dead zone, the cooling rate and solidification process of the fibers can be controlled. After optimizing the process, the company allowed more time for the molecular chains inside the fibers to arrange in an orderly manner, reducing the free shrinkage rate of the fibers. A lower cooling rate also helped reduce internal stress concentrations in the fibers, improving their dimensional stability. At the same time, by precisely controlling the temperature and humidity of the ambient air, the crystallinity and molecular chain arrangement of the fibers could be adjusted, reducing defects on the fiber surface and internal stress, thereby improving the mechanical properties and dimensional stability of the fibers.

Optimization of Spinneret Design

The spinneret is a critical component in the spinning process that extrudes polymer melt into fibers. The aperture size, shape, and arrangement of the spinneret directly affect fiber draw-down. By using different specifications of spinnerets after modification, the draw-down ratio of the fibers could be controlled, thereby optimizing their mechanical properties.

In 2024, the company did not experience any product recalls due to safety reasons, and there were no violations of health and safety regulations related to its products and services.

6.1.2 Management of Nonconforming Products

To ensure product quality and prevent the outflow of nonconforming products, the company has established the *Nonconforming Product Control Procedure* to clarify the handling methods for nonconforming products and assign responsibility to relevant departments. After product inspection, review, and analysis, based on actual situations and customer requirements, nonconforming products are subject to return, repair, scrap, or concession, and a nonconforming product disposal ledger is established. For situations such as process or service interruptions and internal product quality issues, the company has also developed emergency plans to minimize quality risks.

To avoid a decline in customer experience due to product quality, the company periodically tracks the use of products at customers' sites, understands how products are used, and generates *After-Sales Product Quality Feedback Forms*. Through a rapid response mechanism for user quality objections, customers can consult and provide feedback on product and service issues at any time, and the company will promptly respond with emergency handling measures, issue formal reports as required by customers, and timely complete feedback to customers.

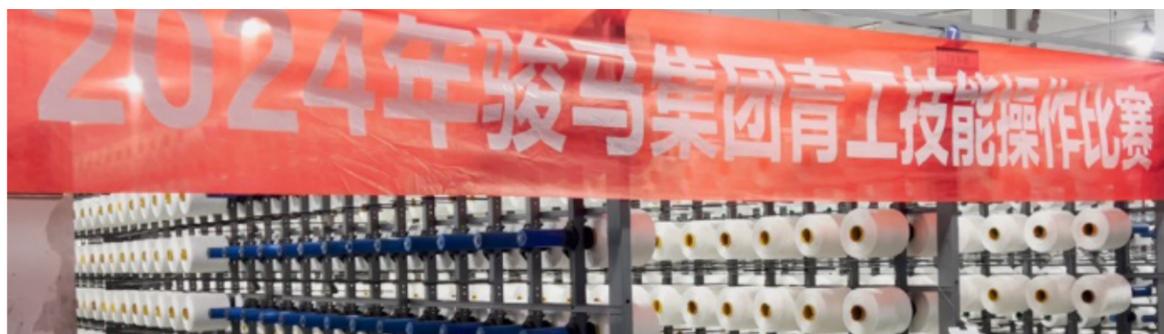
6.1.3 Quality Culture Development

To cultivate quality awareness among all employees and implement the quality policy of "Quality First, Technology-Driven Factory Development," the company regularly formulates quality training plans and conducts quality training covering operations, standards, job licenses, and quality tools. Through activities such as youth skill operation competitions, it creates a quality culture atmosphere of full participation and rewards outstanding employees.



Youth Skill Operation Competition

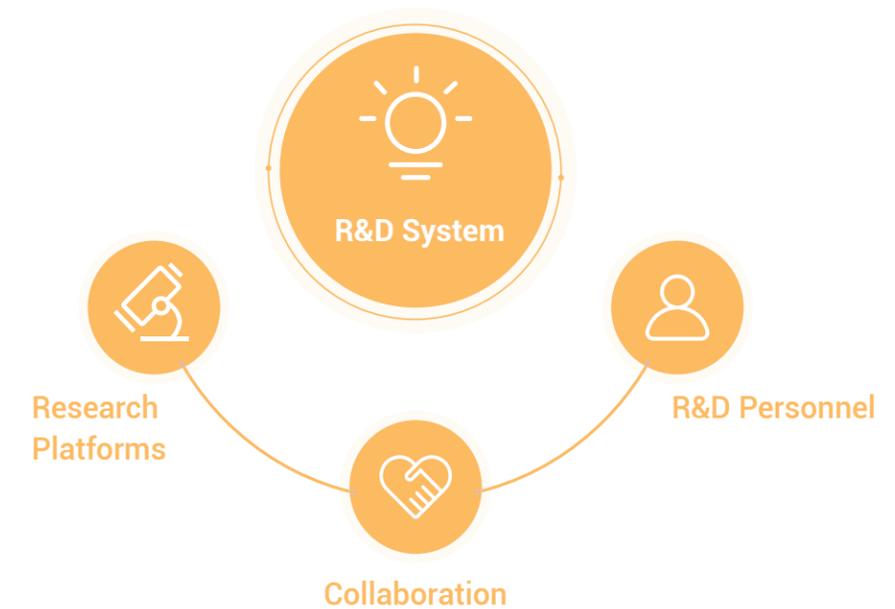
To improve the operating skills of frontline employees, the company held the 2024 "Youth Skill Operation Competition." The competition began on April 1, 2024, with a total of 37 projects, fully embodying the principles of fairness, impartiality, and openness. During the competition, many employees actively participated and showed their skills, with a number of technical experts emerging.



6.2 Research and Innovation

6.2.1 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.



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 our products 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

We have established research platforms which encompasses basic research, applied technology research, and new product development. Our Technology Center houses a dedicated R&D center, complete with pilot workshops, product testing laboratories, physicochemical testing laboratories, and product exhibition areas.

The company has been stepping up its patent application efforts, encouraging employees to actively participate in product research and development (R&D) and innovation, and enhancing the rewards for patent inventors. By focusing on customer demands and market trends, the R&D team has continuously developed high-tech products, especially those with independent intellectual property rights and core technologies, striving to break foreign technology monopolies. During the reporting period, polyester cords with both high-performance dimensional stability and low creep properties were mass-produced and launched, marking the continuous improvement of the company's technological level and product quality, while gradually expanding its influence in international market competition.

By the end of 2024, the company had been granted a total of 11 patents, all of which are utility model patents. During the reporting period, the company applied for 6 new patents.

Junma Polyester is dedicated to driving industry development and has participated in the formulation of national and industry standards alongside Junma Tyre Cord Co., Ltd. In addition, the company firmly believes that learning from others' experiences can overcome one's own limitations. Thus, our company actively participates in domestic and overseas industry exhibitions, continuously learning and absorbing experience, with the aim of enhancing its own strength.



Tire Technology Expo 2024



The 22nd International Exhibition on Rubber Technology



6.2.2 Research and Development Achievements

1000D/2 and 1500D/2 Polyester Cord Fabric with High Dimensional Stability and Low Creep

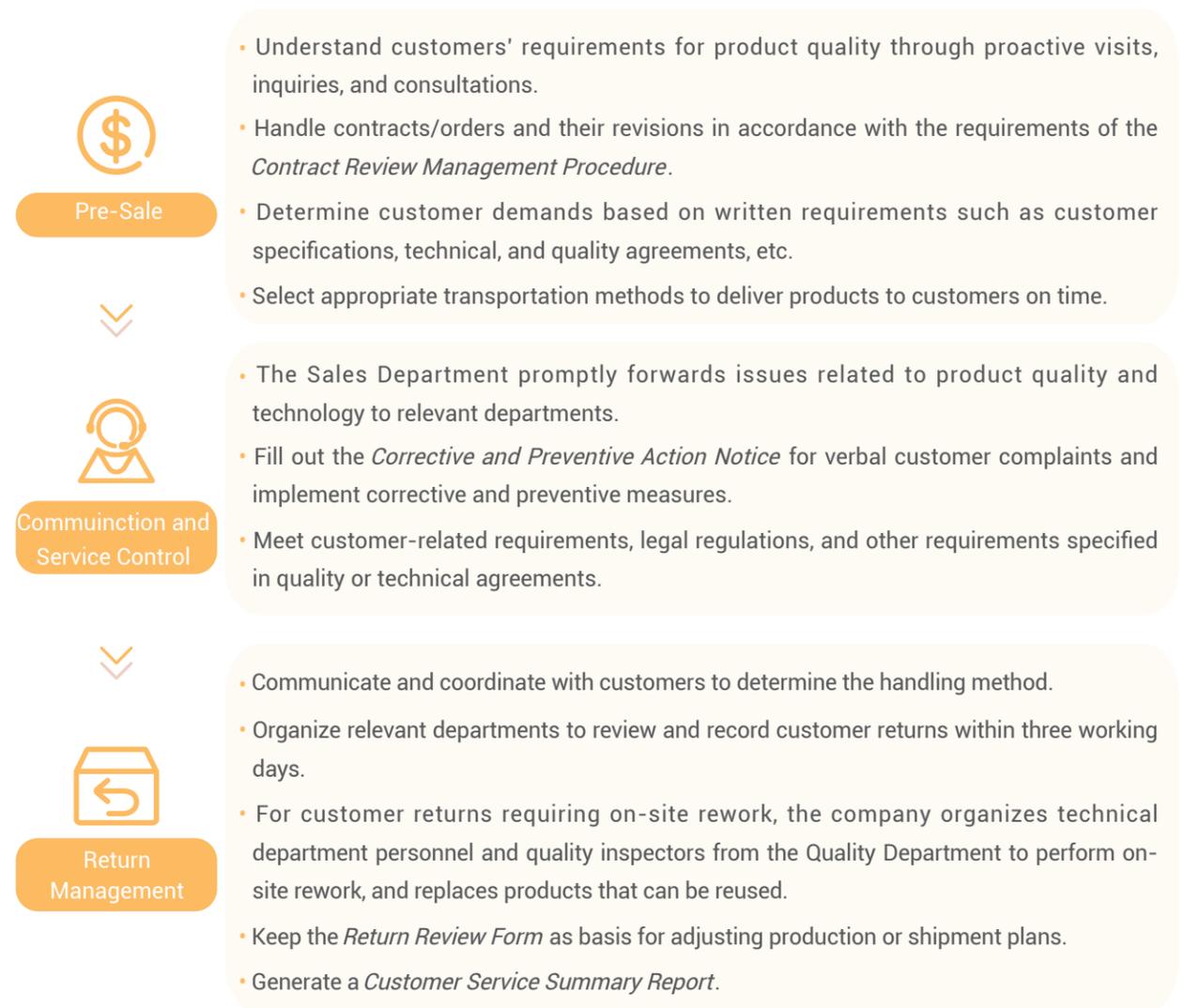
To investigate the free shrinkage and creep properties of dipped fabrics, we conducted experiments by heating the spun yarn after two layers and then replacing one layer with a different-height no-wind zone, along with adjusting the temperature and humidity of the surrounding air. Various spinneret specifications and filter screens were utilized for testing. Through technological innovation, equipment modification, process optimization, repeated trials, and verifications, from small-scale experiments to medium-scale validations and finally large-scale confirmations, we eventually developed a mature production process and technology. This allowed for the improvement of the free shrinkage and creep properties of dipped fabrics under relatively stable spinning production conditions. The successfully developed polyester cord fabric with high dimensional stability and low creep has laid a solid foundation for the comprehensive upgrading of polyester cord fabric products.

6.3 Customer Service

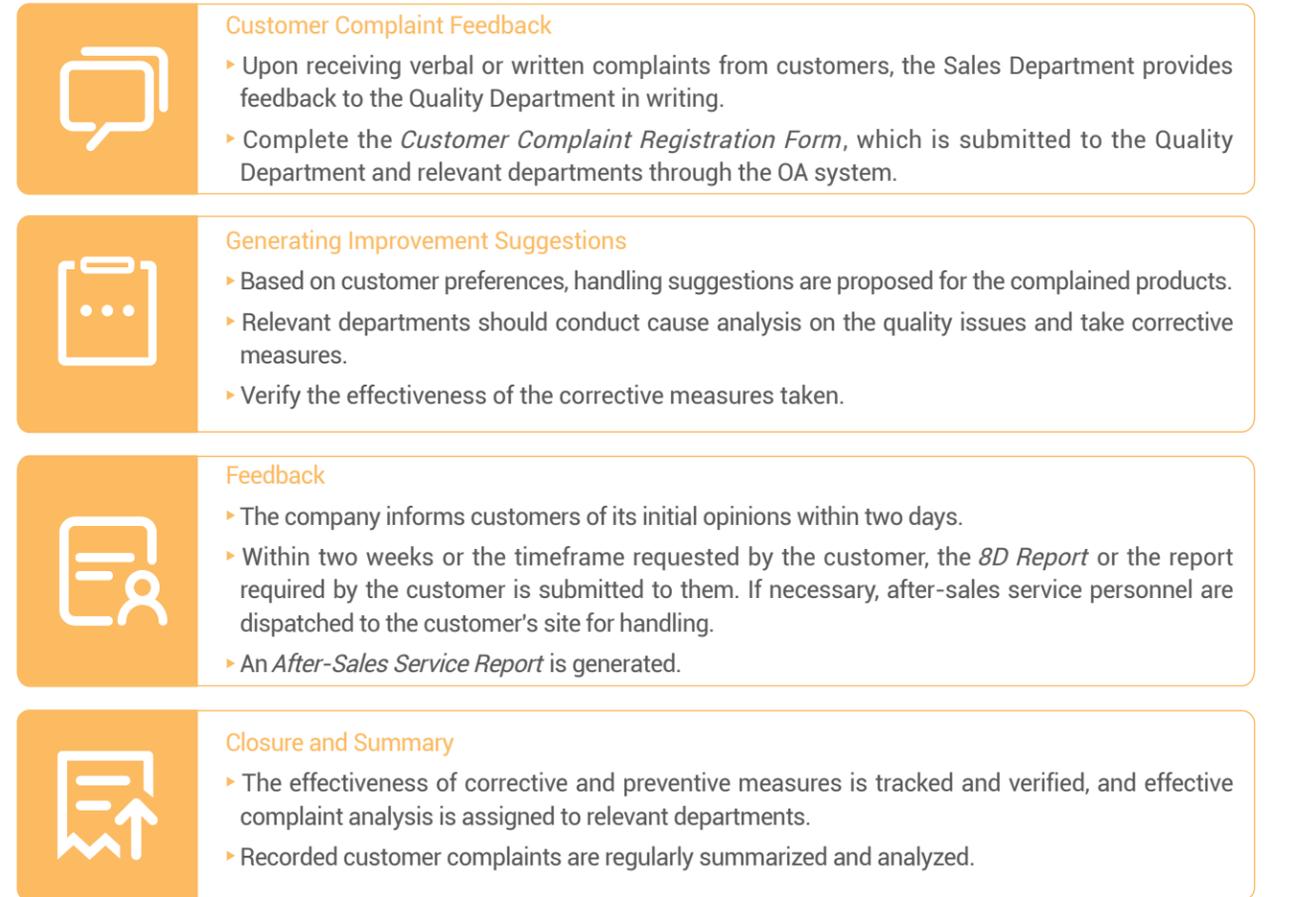
Junma Polyester is always committed to providing high-quality customer service experiences. We offer fine, point-to-point, on-site services through our sales representatives, deeply understanding customer needs, and promising to continuously release products that have no negative impact on consumer health and safety.

6.3.1 Customer Service and Complaint Management

The company continuously improves its pre-sale, in-sale, and after-sale service processes to enhance service quality.



To reduce customer complaints, the company has formulated the *Product Quality Tracking and Customer Complaint Handling* procedure, which involves promptly communicating with customers after learning about their complaints and requests, seeking their acceptance with concessions; analyzing the causes and taking corrective and preventive measures to avoid recurrence of the issues.



6.3.2 Satisfaction Survey

The satisfaction survey is an important channel connecting the company and its customers. We regularly conduct customer satisfaction surveys covering quality, delivery, service, and other aspects, and targeted improvements are made to service quality during subsequent service processes to enhance customer satisfaction.

6.3.3 Customer Privacy Protection

To strictly keep customer information and privacy confidential, the company has compiled the *Sales Contract Management Risk Point Job Manual*, which conducts risk checks and real-time supervision from the aspects of contracts, finance, and logistics. Employees in risk positions are required to sign a *Confidentiality Agreement*.

In addition, the company classifies and authorizes different types of customer information based on the principle of minimum necessity ("need-to-know"), and relevant clauses are specified in the *Technical Agreement* to ensure that customers are informed in advance when using and storing their private information, and relevant data can only be processed after obtaining customer consent.

In 2024, the company did not experience any illegal or violative incidents related to customer privacy and did not receive any complaints on this issue.

07

Human Resources Management

- 7.1 Occupational Health and Safety
- 7.2 Diversity and Equal Opportunities
- 7.3 Employee Training and Development
- 7.4 Employee Rights and Benefits
- 7.5 Employee Communication



7 Human Resources Management

7.1 Occupational Health and Safety



Qualitative indicators

- Ensure our business operations do not negatively impact the health or safety of any external stakeholders.
- Provide adequate and appropriate labor protection equipment for employees and ensure 100% compliance with wearing the labor protection equipment.
- Continuously provide safety trainings.

Quantitatively indicators

Targets towards 2030 Performance in 2024

Work-Related Fatalities	0	0
Severe Injury Incidents	0	0
Fire Incidents	0	0
Hazardous Substance and Gas Leakage Incidents	0	0
Explosion Accidents	0	0

7.1.1 Occupational Health Management System

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

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



ISO 45001 Certification



Key Performance Indicators

- The Safety Supervision Department represents **100%** of employees in carrying out occupational health management work
- Conducted hidden danger inspections throughout the year: **24**
- Recordable Injury Rate ⁴ (per 200,000 work hours): **0.73**
- Recordable Injury Rate ⁵ (per 1,000,000 work hours): **3.64**
- Lost Time Severe Incident Rate for direct labor: **0**

4. Recordable Injury Rate (multiplied by 200,000 work hours) = (Total Number of Lost Time Incidents) x (200,000 / Total working hours)

5. Recordable Injury Rate (multiplied by 1,000,000 hours worked) = (Total Number of Lost Time Incidents) x (1,000,000 / Total Work Hours)

7.1.2 Risk Management

To eliminate actual and potential accident hazards, the company regularly investigates, analyzes, and addresses potential accidents, incidents, and non-conformities, promptly adopts rectification measures for hidden dangers, and organizes self-checks, self-rectifications, and special emergency response plan drills to reduce and prevent accidents, ensuring work safety.

Risk Assessment and Response



Occupational Hazard Risk Source Identification

- ▶ Carry out hidden danger inspections and risk identification through various methods such as comprehensive inspections, professional inspections, seasonal inspections, holiday inspections, and daily inspections.
- ▶ Generate the *Hazard Identification and Evaluation Form*, establish hidden danger and risk lists and databases.
- ▶ Conduct at least one inspection per year and an evaluation of the current status of occupational hazards every three years.



Risk Reporting and Rewards & Punishments

- ▶ Construct a digital platform to facilitate the reporting of safety hazards discovered by employees, with timely complaint recording, rectification supervision, and progress feedback.
- ▶ Relevant departments conduct real-time tracking and supervision of all reports and rectifications.
- ▶ Employees who actively propose reasonable safety suggestions and timely discover major safety hazards will be rewarded with bonuses, prizes, commendations, and other special rewards.
- ▶ Those responsible for accidents will be punished based on the severity of the accident.



Risk Review and Rating

- ▶ Conduct business risk assessments during the planning stage of the company's safety standard establishment.
- ▶ Identify hazardous factors, conduct special assessments, and implement risk control for dangerous operational activities.
- ▶ Rate identified risks using the LEC method.



Risk Management

- ▶ Announce the detection and evaluation results of workplaces generating occupational hazards.
- ▶ Formulate hidden danger treatment plans and risk control measures based on hidden danger inspections and risk identification results, and implement monitoring and governance according to job responsibilities.
- ▶ Set up major safety risk bulletin boards, job safety risk notice cards, and warning signs at the site.
- ▶ Adopt corresponding monitoring and preventive measures during hidden danger governance.
- ▶ Organize relevant training.



Evaluation and Acceptance

- ▶ After the completion of major hidden danger governance, organize safety managers and relevant technicians to conduct acceptance or entrust an institution legally established to provide technical and management services for work safety to conduct an evaluation.

Equipment Safety Management:

The company manages equipment according to the "Three Fixings and One Certificate" policy, which requires to assign specific personnel, equipment, operating instructions for equipment use, and operate equipment with an equipment operation certificate. Our company has formulated documents such as the *Safety Protection Equipment Management System* to standardize the selection, use, maintenance, and renovation of related facilities, ensuring the safety of the working environment.



Vehicle Safety Management



- Regularly inspect the valves and connections of unloading vehicles.
- Establish a clear reward and punishment system to regulate vehicle driving safety.



Equipment Maintenance and Inspection



- Fasten parts, lubricate with oil, and maintain equipment.
- Conduct annual safety inspections of safety valves, fire extinguishing facilities, boilers, pressure vessels, pressure pipelines, and other equipment.safety.
- Regularly inspect the electrical and gas safety in dormitory and office areas to prohibit the use of heating appliances and other electrical facilities that easily cause fires and other safety accidents.
- Inspect positive pressure respirators and other emergency rescue equipment immediately upon discovering any issues.

Safe Operations

To maximize the safety of employees, the company has formulated documents such as the *Dangerous Operation Management System and Dangerous Chemical Management System*, and regularly arranges occupational health examinations, establishing employee occupational health monitoring files. In addition, the company issues occupational hazard notification cards to employees to enhance their awareness of safe production.



High-Altitude Operations

- Conduct danger identification, document it in the *High-Altitude Safe Operation Permit*, and formulate corresponding safety measures.
- Assign supervisors to monitor high-altitude operators, who, along with personnel setting up safety facilities for high-altitude operations, must hold licenses, receive safety education, and undergo regular physical examinations.
- Before operations, check the firmness and reliability of safety signs, tools, instruments, electrical facilities, stairways, elevators, lifting cages, and other safety facilities, and ensure adequate lighting for night high-altitude operations.
- Develop emergency response plans for high-altitude operations, set up fall prevention lifelines, plan escape routes and rescue methods for emergencies, and provide labor protection equipment, rescue facilities, fire extinguishers, and necessary communication tools on site.
- Promptly address identified hidden dangers in safety technical facilities, and stop operations when personal safety is endangered.
- After the completion of operations, clean up the operation site to ensure the safe evacuation of operators.



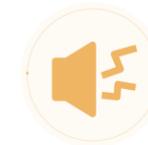
Confined Spaces

- Arrange dedicated safety management personnel to supervise the implementation of safety protection measures.
- On-site supervisors, guardians, operators, and emergency rescue personnel must undergo safety training.
- Adopt reliable isolation measures to isolate harmful substances.
- Personnel entering confined spaces must wear appropriate labor protection equipment, and when necessary, wear gas masks or air respirators and corresponding monitoring instruments. Do not take risks.



Noise Operations

- Conduct noise detection within the plant area, and the results show that all points meet standard requirements.
- Replace equipment and processes with low-noise alternatives.
- Issue individual protective equipment such as earplugs and earmuffs to employees.



High-Temperature Operations

- Personnel participating in high-temperature operations for the first time must undergo relevant training before taking their posts.
- High-temperature workshops adopt organized natural ventilation with reasonably arranged air inlets and outlets.
- Set up employee rest rooms near high-temperature workplaces, providing tea, light salt water, essential oil, and other refreshing beverages and anti-heatstroke medications.



Poisonous Substance Operations

- The chemical poison detection results in production areas and workplaces meet standard regulations.
- Improve equipment and processes, using low toxicity to replace high toxicity and non-toxicity to replace toxicity.
- Issue individual protective equipment such as gas masks, protective glasses, and gloves.

Labor Protection Equipment



The company has formulated the *Accident Emergency Rescue Management System*, standardizing the conduct of emergency evacuation procedures, first aid processes, and other work, and conveying the company's emergency management systems and procedures to employees through safety production meetings. It reinforces employees' safety awareness and skills through various emergency drills such as fire fighting and ammonia leak drills, enhancing their ability to respond to risks and prevent accidents. In 2024, the company conducted 12 emergency drills.

In addition, the company has established an emergency communication network and ensures the distribution of emergency rescue equipment, devices, protective equipment, tools, materials, medications, and other emergency equipment. It regularly maintains and updates communication devices such as telephones, walkie-talkies, and mobile phones to ensure smooth emergency communication.



Emergency Drills



Fire Emergency Drills



Ammonia Leak Drills

Preventing Repetitive Strain Injuries

The company has installed an automatic feeding system to enable automated material input and output. By deploying AGV forklifts, robotic arms, and other devices, repetitive manual tasks are significantly reduced. Additionally, the company ensures the timely and sufficient distribution of protective equipment (e.g., safety shoes) to further mitigate the physical strain on employees from repetitive work.



Automated Workshop



7.1.3 Prevention and Control of Occupational Diseases

The company has formulated documents such as the *Junma Employee Safety Manual*, *Occupational Safety and Health Regulations*, and *Operational Control Procedures for Environmental and Occupational Health and Safety*. A special occupational disease prevention and control team has been established to conduct testing for occupational hazard factors and complete assessment reports on the current status of occupational hazards. Continuous efforts are made to improve occupational health and safety.

For jobs involving occupational health hazards such as noise and toxic substances, the company posts occupational hazard factor notification cards in prominent locations, provides protective equipment that meets requirements, such as protective gloves, shoes, leggings, aprons, glasses, heat-resistant clothing, and face shields, and regularly provides occupational health examinations for employees. Occupational health examinations cover 100% of employees in jobs with occupational hazards. During the reporting period, the incidence rate of occupational diseases among company employees was 0.

Occupational Hazard Factor Notification Card



7.1.4 Third-Party Management

The company has formulated the *Management System for Related Parties and External Workers* and the *Contractor Safety Management System*. It reviews the safety qualifications of suppliers and contractors, establishes a list of qualified suppliers only for those with qualifications, and maintains a *File of Related Parties (Contractors and Suppliers)*. Safety education and occupational hazard notifications are provided to all contractors and suppliers.

Safety Production Management of Contractors and Suppliers

Qualification Review

- Safety management regulations, operating procedures
- Safety management institutions, relevant information on main responsible persons and safety management personnel
- Safety performance
- Development of safety plans
- Operating licenses for special operations personnel

Contractor Training

Safety education and training before entering the site, including:

- Characteristics of the work site
- Major hazards and emergency handling measures
- Safety precautions for entering the site

Training records are maintained.

On-site Safety Management

- Contractors should provide facilities, equipment, and personal protective equipment that meet safety standards.
- Contractors must undergo on-site safety inspections and supervision.
- Preventive measures for accident hazards are implemented, and rectification of accident hazards is completed within the specified timeframe.



Relevant Performance

No construction safety accidents occurred with external collaboration units throughout 2024.

7.1.5 Safety Culture Construction

Employee Training

The company's Safety Supervision Department regularly organizes safety education and training in the form of on-site lectures and video learning. It comprehensively implements three-level safety education for all employees to enhance their awareness of safe production. New employees must undergo factory-level safety education (company-level), workshop-level safety education (department-level), and position-level (team-level) safety education before taking their posts.

Additionally, the company has hosted a Fire Safety Day event, using competitions to improve employees' fire safety rescue and escape skills.

Safety Production Training

Safety Education for Managers

The company's main responsible persons, persons in charge of specific areas, and safety management personnel participate in safety production education and training organized by relevant government departments in accordance with national regulations and obtain safety management qualification certificates.



Safety Training and Education for New Employees

New employees receive three-level (company-level, workshop-level, team-level) safety education before starting their jobs, with education time not less than 24 hours and passing an exam.



Specialized Safety Training and Education for Special Positions

Safety personnel receive specialized safety training and can only take their posts after passing the assessment and exam.

Training content includes:

- Management regulations for high-risk operation permits such as hot work, confined space, and high-altitude operations
- Handling methods for special emergencies such as over-temperature and over-pressure
- Use of various safety protective equipment and firefighting equipment
- Emergency response plans



Daily Safety Education

Daily safety education activities are carried out using various forms such as meetings, bulletins, and slogans.

The main content includes studying safety management systems, learning safety technical knowledge, safety culture activities, safety technical seminars, and watching safety education videos.



Safety Training



During the reporting period, the company launched a themed essay competition on "Safety Around Me, Safety in My Heart" and awarded honors to employees with outstanding performances.

Themed Activity: "Safety Around Me, Safety in My Heart"



7.2 Diversity and Equal Opportunities

7.2.1 Compliance in Employment

The company has formulated an *Employee Handbook* applicable to all employees, which explicitly prohibits the employment of child labor, forced labor, discrimination, harassment, and other violations of employees' human rights. It also stipulates the use and special protection procedures for minor workers. Through irregular internal audits, the company ensures that its employment system complies with the latest international and national human rights policies and conducts relevant training for all employees to thoroughly disseminate and implement these policies.

For violations of human rights and employment compliance, such as discrimination, harassment, forced labor, and the employment of child labor, the company has established a reporting mechanism open to all employees. Details are provided in the *Employee Communication* section.



Qualitative Indicators

- Resolutely oppose the employment of child labor, forced labor, discrimination, harassment, and other violations of employees' human rights.
- Analyze the salary levels of male and female employees to ensure equal pay for equal work.
- Gradually increase the proportion of female employees in management.

Quantitatively indicators

	Targets towards 2030	Performance in 2024
Percentage of Employees Received Diversity, Anti-Discrimination, and Anti-Harassment Trainings	100%	100%
Percentage of Workplaces Conducted Human Rights Reviews or Human Rights Impact Assessments	100%	100%
Percentage of Employees Covered by The Labor Human Rights Policy	100%	100%
Incidents of Child Labor or Forced Labor	0	0
Incidents Of Discrimination and Harassment	0	0

Child Labor and Forced Labor

The company has formulated regulations such as the *Management Procedures for the Prohibition of Child Labor and Forced Labor* and the *Code of Conduct for Security Personnel* to improve risk identification, assessment, and response processes. It also oversees and audits recruitment compliance, regularly conducts internal audits on social responsibility, and standardizes employee recruitment and management.



Risk Assessment

Identify potential risks of mistakenly hiring child labor, determine their controllability, and assess risk values.

- Unconfirmed employee ID card
- Failure to detect employee's provision of fake ID card

Risk Management

- Verify employees' ages through valid documents such as identity cards during recruitment and establish archives for identity verification before hiring.
- Conduct annual internal social responsibility audits and irregular spot checks on employees to prevent child labor from replacing already hired employees.

Remedial Measures

- Immediately cease using child labor upon discovery, settle all wages, escort them back to their original residence while ensuring their health and safety, and hand them over to their legal guardians.
- Provide assistance to those who need to attend school but face difficulties at home to ensure they can continue to receive compulsory education.



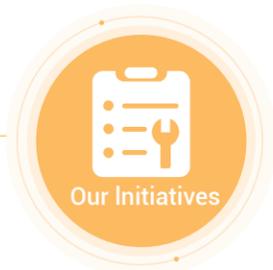
Prohibition of Child Labor Employment



Protection of Minor Workers

Conduct risk assessment.

- Arrange work with appropriate intensity, avoid assigning night shifts, overtime, and work in hazardous or unhealthy environments, and ensure equal pay for equal work with adult workers.
- Conduct regular health examinations.



Our Initiatives

Risk Assessment

Identify potential risks of forced labor, determine their controllability, and assess risk values.

- Undefined employee rest time
- Overtime work without seeking employee consent
- Forcing employees to work long overtime hours
- Employees' lack of freedom of action
- Failure to pay overtime wages for overtime work

Risk Management

- Employees sign labor contracts with the company on an equal and voluntary basis in accordance with labor laws and regulations.
- Ensure all employees' personal freedom and allow them to leave the company freely after work.
- Prohibit illegal recruitment, transportation, transfer, and violent threats for profit to prevent incidents such as human trafficking and enslavement. Strictly prohibit security personnel from attacking employees or restricting their personal freedom with violent acts.
- Strictly prohibit physical abuse, corporal punishment, or threats of physical abuse against employees.



Prohibition of Forced Labor and Anti-Abuse

Through the implementation of the above measures, no violations were found in the company's internal social responsibility audits during the reporting period.



Key Performance Indicators >>

- 0 incidents of child labor employment
- 0 incidents of forced labor
- 100% coverage of training on child labor employment and anti-forced labor

Anti-Harassment, Anti-Discrimination, and Anti-Abuse

During employee recruitment, job transfers, performance evaluations, training, and other processes, Junma Polyester strictly prohibits harassment and humiliation of employees based on race, skin color, religion, gender, age, disability, sexual orientation, and other factors. It also regulates the behavior of all employees through the *Employee Handbook*.

The company has conducted trainings for all employees on its policies and regulations related to anti-discrimination, anti-harassment, and opposition to child labor employment and forced labor.



Labor Human Rights Training



During the reporting period, there were 0 incidents of discrimination or harassment, and the coverage of training to prevent discrimination and human rights violations was 100%.

Diversity and Equal Opportunities

The company is committed to providing equal employment opportunities for minorities or disadvantaged groups. A Women's Federation has been established, which includes special clauses for the protection of female employees in collective contracts to prevent unfair treatment of female employees during recruitment, promotion, salary payment, etc., due to gender, marriage, pregnancy, childbirth, or lactation. It also ensures that female employees receive rest, leave, and maternity insurance during pregnancy, childbirth, and lactation.

Protection of Female Employees

Special Period Protection:

- Female employees will not be dismissed, demoted, or have their salaries reduced, nor will they be assigned to prohibited work during pregnancy due to marriage, pregnancy, childbirth, or lactation.
- The company treats female employees' contraceptive surgery leave, prenatal examinations during pregnancy, maternity leave, and breastfeeding time during lactation as normal work and pays their wages accordingly.
- For female employees who cannot adapt to their original work during pregnancy, the company will reduce their workload or assign them to other suitable positions.

Health and Safety

- The company provides monthly sanitary products or allowances.

Female Employee Representatives

- Gradually increase the proportion of female representatives in the unit's staff representative conference.
- Involve representatives of the women's committee of the labor union in formulating and revising rules and regulations concerning women's rights and interests, as well as participating in equal negotiations and the entire process of signing collective contracts.

Equal Pay for Equal Work

- The company guarantees equal labor rights for female employees and implements equal pay for equal work.
- Closely monitors the salary gap between male and female employees, analyzes the causes, and provides compensation.

In addition, we treat disabled individuals equally, providing equal employment, promotion, and training opportunities for those who pass physical examinations and tests. We have also modified workplaces, labor equipment, and living facilities to provide appropriate working conditions and labor protection for disabled individuals.



Key Performance Indicators

- Total number of female employees: **549**
- Proportion of female employees: **44.53%**
- Total number of female employees in management: **3**, accounting for **8.11%** of the total management personnel
- Number of ethnic minority employees: **7**, accounting for **0.57%** of the total
- There is still not any manager with ethnic minority. The company will continue to optimize its management structure.

7.2.2 Career Management



Qualitative Indicators

- Conduct research on employee turnover rate and continuously reduce it.
- Provide comprehensive and diversified training for all employees to promote their career development.

Quantitatively indicators

	Targets towards 2030	Performance in 2024
Percentage of Employees Regularly Undergoing Performance and Career Development Evaluations	100%	100%
Employee Training Coverage	100%	100%

7.2.2.1 Career Development

Transparent and Open Recruitment Process

We firmly believe that "talent is the first priority." Based on the annually formulated *Annual Human Resource Demand Plan*, the company conducts open recruitment from society, promptly communicating the company's open and equal recruitment process to all job seekers through online and offline channels, without discriminating against candidates due to gender, age, race, health status, etc.

Career Path Planning

The company has formulated the *Compensation System Plan*, clearly communicating to all employees the promotion conditions, promotion application and process, salary, bonuses, performance evaluation, calculation methods, etc.

To provide sufficient career development space for employees at various levels and positions, the company has developed the *Position Levels and Promotion Path Table*, establishing multiple promotion channels for both horizontal and vertical development, and planning career development paths for all employees. Based on employees' wishes, performance evaluation results, and written and practical skills test scores, the company will provide opportunities for career advancement to outstanding employees through merit-based selection.

Career Development Path for Junma Polyester Employees



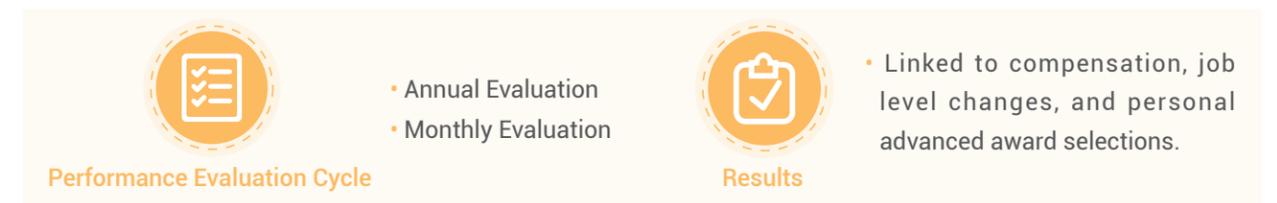
Career Mobility

Apart from vertical promotions, the company is also committed to helping employees transfer to positions within their capabilities. Employees can transfer internally based on their own wishes and receive corresponding transfer training. At the same time, the company carries out the re-employment of retired employees, focusing on improving the company's career mobility.

7.2.2.2 Performance Evaluation

The company has established a fair and scientific performance evaluation system, standardizing the performance evaluation process according to the *Rules and Regulations* to assess employees' work performance and contributions, thereby determining training and development needs, improving compensation and promotion decisions, and promoting employees' career development.

Based on employees' work attitude, operating skills, work efficiency, and work achievements, each department regularly conducts fair, impartial, and open monthly and annual performance evaluations for every employee, linking the evaluation results to employees' compensation, promotion opportunities, and personal annual advanced evaluations. For employees with poor performance evaluation results, the company will consider demotion, job transfer, training, and urge them to improve their performance.



7.2.2.3 Employee Retention

The company regularly conducts employee turnover rate surveys, sets annual turnover rate targets, actively analyzes the reasons for employee departures, and reduces the employee turnover rate by improving wages, improving workshop conditions, and reducing employees' labor intensity.

For termination of labor relations not due to employee fault, the company will notify the individual 30 days in advance or pay an additional month's salary, while also paying economic compensation in accordance with relevant laws and regulations to minimize the economic impact of layoffs on employees.

The company has also formulated relevant policies to consider the physical health and professional competence of retired employees for their re-employment, providing employees with re-employment opportunities.

7.3 Employee Training and Development

To enrich employees' knowledge and skills, improve work efficiency and quality, and help employees adapt to changing technical requirements, the company has established the *Personnel Training Management Procedure*, customizing training content and methods for employees in different departments and positions. Each year, based on employees' actual situations and job requirements, the company formulates the *Annual Training Plan for In-service Employees*, conducting regular and irregular training on various general skills and professional qualities, including skills training such as new employee training and quality control training, as well as sustainable development-related training on business ethics, environmental protection, and employee rights, to promote the overall quality of employees.

Employee Training





Apart from internal training, the company will also cooperate with external institutions irregularly based on departmental needs to conduct external training on leadership and professional skills.

After the training is completed, relevant departments will conduct follow-up and evaluations to continuously improve the quality of the training programs based on the results.



Key Performance Indicators

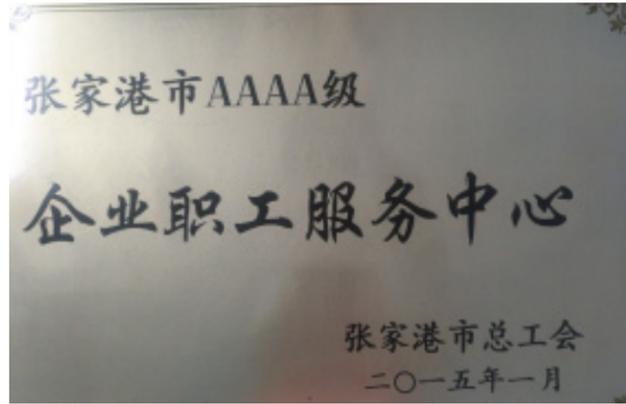
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- Employee training coverage rate is **100.00%**.
- Average training hours per employee is **26.51** hours.

7.4 Employee Rights and Benefits

To enhance employee cohesion and happiness, the company is committed to creating a healthy, safe, equal, warm, and comfortable working environment while safeguarding employees' basic rights.

Zhangjiagang AAAA-level Enterprise Employee Service Center



7.4.1 Working Conditions

Compensation Management

To ensure that employees' salaries are sufficient to support their livelihoods, the company has formulated the *Compensation System Plan*, regularly reviewing the salary levels of all employees and conducting salary surveys to understand industry and regional competition and trends. While ensuring that all employees' base salaries meet the minimum wage requirements of Zhangjiagang government, the company adjusts the overall salary level in a timely manner by referencing local price levels, the average salary levels of workers in the region and industry, etc., implementing distribution according to work and ensuring equal pay for equal work, ensuring that employees' salary levels are higher than the minimum wage standard in Zhangjiagang.

In addition, to enhance employee motivation, the company continuously improves its compensation and benefits system, with all employees signing special collective contracts on wages to ensure they understand the company's compensation and benefits system and structure. Apart from base salaries, relevant departments will provide performance-based salary adjustments based on performance evaluation results after equal consultation with employees, and set up incentives such as seniority pay, quarterly bonuses, and safety bonuses.

Working Hours Management

The company is committed to optimizing employees' workload and working hours, calculating employees' working hours according to the local standards, ensuring an average of 8 working hours per day and one rest day per week, and providing sick leave, personal leave, marriage leave, maternity leave, funeral leave, work-related injury leave, annual leave, and other types of leave.

For employees who have to work overtime, we always pay attention to their physical and mental stress. In addition to paying overtime wages according to the corresponding overtime wage standards, the company has also set communication channels such as employee mailboxes, allowing employees to report their physical workload and psychological stress at work at any time in a real or anonymous manner. Relevant departments will do their best to help solve corresponding problems when receiving feedback.

Benefit System

Basic Benefits

- We provide all employees with welfare subsidies, medical insurance, unemployment insurance, pension insurance, work-related injury insurance, maternity insurance, paid annual leave, position allowances, housing provident fund, etc.
- We provide labor protection equipment and related benefits according to positions (jobs).
- We provide meal subsidies, traditional festival gifts, seniority pay, congratulations and condolences gifts, work clothes, etc., and festival subsidies during traditional festivals such as the Spring Festival.
- We provide paid maternity leave for female employees and paternity leave for male employees.
- We pay maternity insurance premiums.
- Assigning female employees during pregnancy and lactation to engage in work that is harmful to themselves, fetuses, or infants is strictly avoided.

Employee Dormitories

- We built high-end staff apartments for employees with rent far below market prices.



Flexible Work Arrangements

- We arrange compensatory leave for overtime employees and paying overtime compensation.



Employee Care Fund

- We continuously support employee families who are impoverished due to natural disasters or man-made calamities.
- Condole with employees who are hospitalized due to serious illnesses.
- We implement subsidies for employees disabled due to work-related accidents.



Key Performance Indicators

- Medical insurance coverage rate is **100.00%**.

Apart from the above fixed benefits, the company also provides family dormitories and actively organizes family activities, committed to helping employees achieve the balance between work and family life.



7.4.2 Team Building Activities

To enrich employees' leisure life, the company vigorously carries out various cultural, sports, and team-building activities.

Junma "Fun Sports Meeting"

To promote a positive and healthy lifestyle, enrich employees' sports and cultural life, and create a good atmosphere for national sports, Junma Polyester participated in the 2024 fun sports meeting organized by Junma Group. Amid laughter and sweat, employees relaxed their bodies and minds, enhancing cohesion and work enthusiasm.





7.5 Employee Communication

Our Goals

Indicators	Targets towards 2030	Performance in 2024
Labor Union Coverage	100%	100%
Collective Contract Coverage	100%	100%
Percentage of Employees Represented by Staff Representatives	100%	100%

The company respects employees' right to free association and does not restrict their freedom to associate, participate in labor unions, engage in collective bargaining, and other related matters. It also conducts multi-level reasonable suggestion activities, establishes an open and transparent two-way communication system, and encourages employees to actively propose reasonable suggestions for enterprise management.

Labor Union

- We respect employees' right to freely join or leave the union.

Collective Contract

- We have reached a written agreement on matters such as health and safety, labor remuneration, working hours, rest and vacation, vocational training, insurance benefits, gender equality, etc.

Staff Congress

- We leverage the role of the Staff Congress in democratic decision-making, democratic management, and democratic supervision.
- We organize staff representatives to participate in the Staff Congress.
- Strictly prohibit retaliation against staff representatives.

Satisfaction Survey

- Conduct annual surveys on employees' satisfaction with enterprise management, corporate culture, compensation and benefits, working environment, performance appraisal, personal development, and other aspects.
- Analyze the survey results and makes targeted improvements.

Employee Interviews and Forums

- Conduct interviews with employees on workplace environment, colleague relationships, career planning, and other aspects to solicit their opinions and feedback for targeted improvements.

Mediation Committee

- Conduct mediation of employee disputes on a voluntary and equal basis.

Junma Communications

中共江苏骏马集团委员会主办

12₂₀₂₄ 总第 487 期

骏马通讯

◆ 骏马魂

安全生产 任重道远

◆ 新闻热线

市委书记韩卫来骏马走访调研
骏马钢帘线金牌讲师竞赛圆满落幕
安全知识记心间，百人竞赛展风采

◆ 骏马论坛

阳光人生
懂得沉淀才能勇往直前
何为标准

◆ 骏马风采

云南大妹子

◆ 骏马是我家

钢帘线质量部开展消防演习

◆ 百花园

十年买两房，我的抑郁不药而愈？
屋檐下游走的光阴
在平淡日子里寻找惊喜
回首 2024 年，迈向 2025 年



骏马(通讯员)QQ群: 145407612

2024.12.31 出版

In addition, the company has established a reporting and complaint mechanism open to all employees. If an employee suffers from or discovers others suffering from discrimination, harassment, forced labor, child labor, or any other violations of labor human rights, or has objections or suggestions regarding compensation, career development, training, and other matters, they can report or complain in person. For employees who are inconvenient to appear in person or have physical or speech impairments, the company has set up suggestion boxes and opened anonymous channels, supporting employees to make anonymous reports through letters, phone calls, emails, or entrusting others. The company will properly handle these reports, promptly inform the reporter of the punishment results, and ensure that they are not retaliated against. If the reporter requests, the company will provide necessary psychological services.



Complaint Hotline:
0512- 58291688



Email:
office@junmachina.com



08

Responsible Supply Chain Management

- 8.1 Enhancing Supply Chain Resilience
- 8.2 Sustainable Supply Chain
- 8.3 Supply Chain Diversification
- 8.4 Supply Chain Communication
- 8.5 Procurement Personnel Management



8 Responsible Supply Chain Management



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 2024

Proportion of Suppliers Undergoing Environmental, Human Rights, Business Ethics, Health, And Safety Risk Assessments	100%	100%
Proportion of Suppliers That Have Signed <i>Supplier Code of Conduct</i>	100%	100%
Rate of Communicating <i>Conflict Minerals Statement</i> to Suppliers	100%	100%
Coverage Rate of Procurement Staff Training on <i>The Sustainable Procurement Policy</i>	100%	100%

8.1 Enhancing Supply Chain Resilience

Junma Polyester continuously strives to create sustainable business models with supply chain partners. By collaborating through an internal electronic platform and implementing a *Supplier Management Procedure*, comprehensive control and long-term quality assurance are ensured for suppliers.

8.2 Sustainable Supply Chain

To build a sustainable supply chain system, Junma Polyester has incorporated provisions related to environmental protection, labor rights, and business ethics into supplier contracts. The company has specifically developed a *Sustainable Procurement Policy*, which is broadly applicable to all suppliers, trading partners, contractors, and collaborators with whom the company establishes business relationships. Additionally, the company requires all product suppliers to sign the *Supplier Code of Conduct* as a key measure to ensure that the company's sustainable procurement philosophy is effectively communicated to every business partner.

Currently, the company has obtained the RSCI Responsible Supply Chain Initiative label.



RSCI Label



8.2.1 Risk Analysis

Through internal audits, the company has identified risks in its operations, such as labor and human rights protection, environmental compliance management, and business ethics. Committed to mitigating these risks via supply chain management, we have established systems like the *Supplier Management Procedures* and *Supplier Performance Evaluation Criteria*. Access to our supply chain is determined based on supplier qualifications, quality management, environmental management and performance, and occupational health system development.



Background Audit on Suppliers

Review the following supplier background information:

- Environmental Impact Assessment (EIA) Report
- Environmental Management System (EMS) Certification
- Quality Management System (QMS) Certification
- Occupational Health and Safety Management System (OHSMS) Certification
- Carbon Footprint-related Certificates or Data

8.2.2 Social Responsibility Performance Assessment

Based on the results of supplier background checks, the company conducts on-site audits or self-assessments for all suppliers, scoring and risk-rating them on environmental, social, and governance (ESG) issues. An approved supplier list is established based on these ratings, requiring suppliers to sign a *Non-Use of Hazardous Substances Guarantee* to ensure all partners are free from risks such as environmental violations, child labor, forced labor, human trafficking, corruption, and bribery.

Supplier Evaluation and Auditing



Environmental Performance

- Compliance with environmental management standards, policies, and practices
- Evaluation of facilities' ability to control industrial waste release into the environment
- Implementation of ongoing environmental training and awareness programs
- Adoption of energy-efficient technologies and equipment to reduce energy consumption at the source and lower greenhouse gas and other pollutant emissions
- Compliance with relevant environmental certification standards (e.g., ISO 14001 Environmental Management System Certification)
- Establishment of a robust waste management system with measures for sorting, safe disposal, and recycling
- Responsible use and management of water resources, promotion of water-saving technologies, and reduction of wastewater discharge
- Conducting environmental risk assessments to identify potential risks and implement preventive and corrective measures



Labor and Human Rights

- Freedom of association and collective bargaining
- Development of health and safety standards
- Prohibition of discriminatory hiring practices based on race, gender, religion, nationality, etc.
- Prohibition of forced labor
- Prohibition of child labor, with strict minimum age requirements and employment restrictions
- Prohibition of harassment or abuse of laborers
- Compensation management and working hour regulations
- Health and safety management
- Worker feedback channels



Business Ethics

- Anti-monopoly practices
- Anti-corruption and anti-bribery measures
- Protection of trade secrets

8.2.3 Capacity Building

The company proactively provides targeted environmental and social responsibility training to supplier partners to help them address minor non-conformities identified during performance assessments. Suppliers with average ratings are required to submit detailed improvement action plans and complete rectifications within specified deadlines, subject to review and confirmation by relevant company departments. Suppliers with poor assessment results will face suspension of deliveries until comprehensive rectifications are completed and verified through re-audits.

8.3 Supply Chain Diversification

Junma Polyester remains committed to its social responsibilities and strives to build a diversified supply chain. We aim to collaborate with suppliers from diverse industries, regions, and cultural backgrounds, giving priority to those with pluralistic backgrounds and varying scales when quality and social responsibility performance ratings are equal.



Women and Minority-Led Businesses

Priority is given to collaborating with suppliers led by women and those inclusive of minority groups, providing fair business opportunities and equal development platforms.



Small and Medium-Sized Enterprises (SMEs)

We encourage establishing long-term, stable partnerships with high-quality SMEs to help them expand market share and enhance competitiveness.

8.4 Supply Chain Communication

The company actively engages in technical exchanges with suppliers, exploring ideas for greener and lower-carbon products through irregular technical meetings on raw material quality and green product requirements. This ensures incoming material quality while fostering a sustainable supply chain.

Additionally, for any violations of the *Sustainable Procurement Policy*, the company provides an open and transparent reporting and grievance channel for all suppliers to file complaints or provide policy suggestions. The procurement department will promptly escalate feedback and handle it within stipulated timelines.



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0512-58117751



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sophie.sun@junmachina.com

8.5 Procurement Personnel Management

In addition to supplier management, the company emphasizes cultivating sustainable procurement awareness among procurement staff. Through regular *Sustainable Procurement Policy* training for all procurement personnel, their focus on environmental and social issues within the supply chain has continuously strengthened. During the reporting period, the training coverage rate for procurement staff reached 100%.

Furthermore, to prevent procurement fraud, all procurement personnel are required to sign integrity agreements, and relevant legal clauses and company policy requirements are consistently communicated to ensure a transparent and ethical supply chain.



Procurement Staff Training



09

Social Welfare and Charity



9 Social Welfare and Charity

Since its establishment, Junma Polyester has actively participated in public welfare activities. Contributions include financial donations, educational support, community service improvements, and assistance in rural revitalization projects.

The company is deeply committed to social welfare undertakings. Since 2021, it has donated RMB 100,000 annually through the Zhangjiagang Sunshine Education Support Center (one of the first charitable organizations recognized in Jiangsu Province) to support local communities and central/western regions of China. To date, the company has contributed a total of RMB 500,000, making remarkable contributions to the national poverty alleviation efforts and rural revitalization strategy.

The company also prioritizes local education. It has launched donation programs for multiple schools, including Chenghang Primary School, Chenghang Middle School, and Liangfeng Kindergarten. In 2024, the company donated books to Liangfeng Kindergarten and provided uniforms for teachers. For outstanding students from Chenghang Middle School who were admitted to Liangfeng High School, each received a RMB 10,000 scholarship to encourage diligent study and dedication to the country. So far, nearly 20 students have been awarded, significantly boosting students' learning motivation. To enhance campus environments, the company provided free greening projects for Chenghang Primary School and Chenghang Kindergarten, creating a scenic atmosphere filled with blooming flowers and lush greenery for teachers and students to enjoy daily. For community safety, the company invested over RMB 700,000 to establish the Junma Police Station, offering convenient public services to residents. Additionally, to enrich the cultural life of firefighters, the company funded over RMB 700,000 to build a soccer field, providing a recreational space for them to relax after work.

The company also donated RMB 300,000 to Nan'gang Village in Jinfeng Town. The funds primarily support village-level livelihood projects, upgrading the Nan'gang Elderly Care Service Center to improve facilities and services, offering better living care and cultural activities for the elderly. Part of the funds also bolster village-level industrial development by investing in a fresh food distribution project. This initiative not only stabilizes agricultural sales channels for Nan'gang Village but also strengthens the collective economy, promoting prosperity and contributing to rural revitalization.

"Red Tie" Party-Building Initiative for Agricultural Support



Nan'gang Village Support Activities



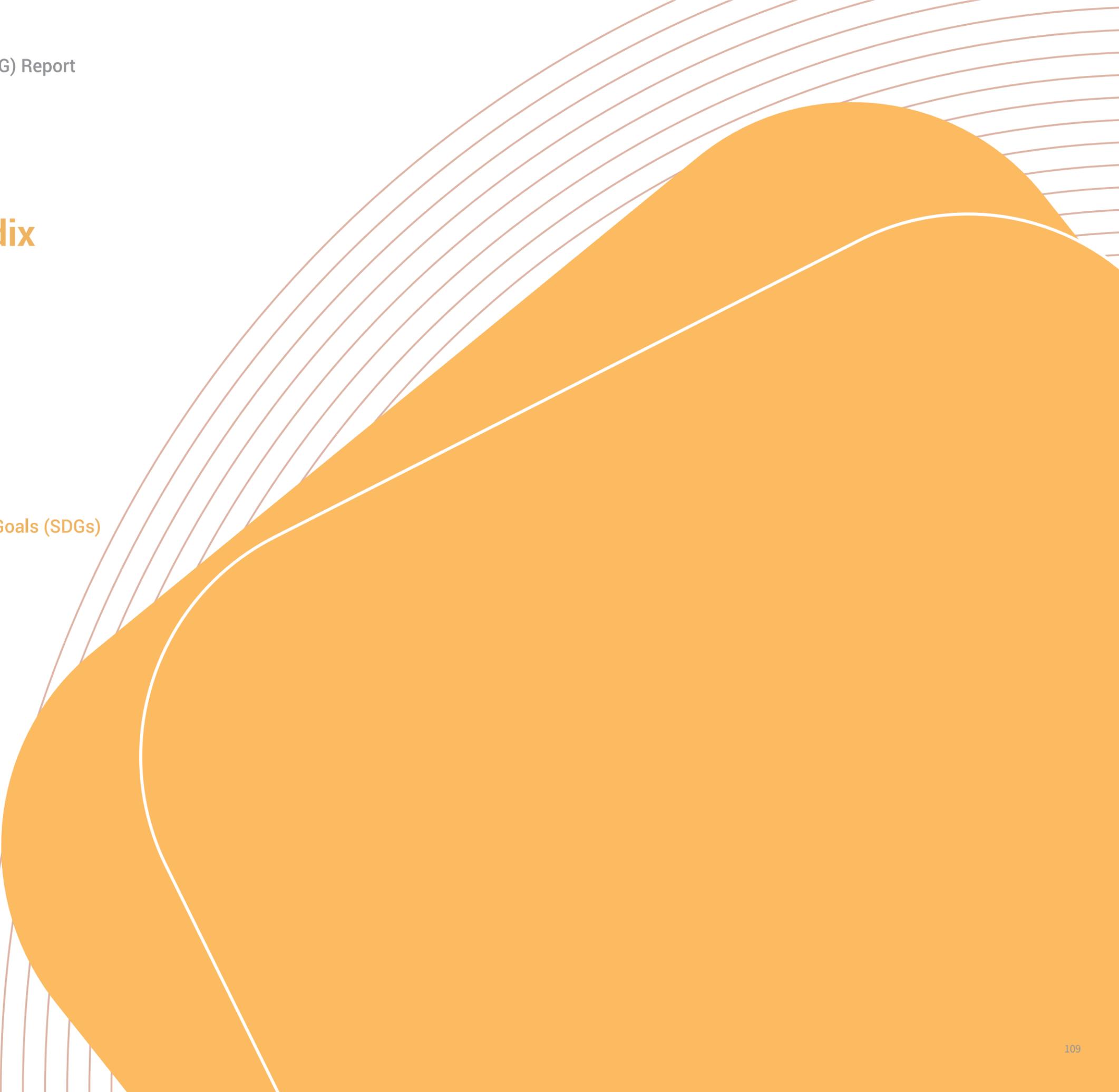
10

Appendix

10.1 Key Performance Indicators

10.2 GRI Index

10.3 United Nations Sustainable Development Goals (SDGs)
Benchmarking Index



10 Appendix

10.1 Key Performance Indicators⁶

Environmental KPIs

Environmental Management System		
Indicator	Unit	2024
Percentage of operating sites that have achieved ISO 14001 certification out of the total number of workplaces	%	100%

Exhaust Emissions		
Indicator	Unit	2024
Total Exhaust Emissions	ton	10.24
Volatile Organic Compounds	ton	5.16
Particulate Matter	ton	3.63
Formaldehyde	ton	0.65
Ammonia	ton	0.80

Wastewater		
Indicator	Unit	2024
Total Amount of Wastewater Emission	cubic meter	243,334
Domestic Sewage	cubic meter	0
Industrial Wastewater	cubic meter	243,334

6. Before 2024, Junma Polyester Products Co., Ltd. had not been operating independently. Unless otherwise specified, the data covered in this report pertains to the period from January 1, 2024, to December 31, 2024, and includes information on Junma Polyester Products Co., Ltd. During the reporting period, the company's new plant in Donglai district was in trial operation only; hence, environmental and safety-related performance data has not been included in the scope of this report.

Solid Waste		
Indicator	Unit	2024
General Waste Generation	ton	3696.88
General Waste Generation Intensity	kg/tons of production	49.13
Hazard Waste Generation	ton	225.74
Hazard Waste Generation Intensity	kg/tons of production	3.00

Energy Consumption		
Indicator	Unit	2024
Liquefied Natural Gas	liter	11,040.00
Natural Gas	ten thousand cubic meters	735.47
Diesel	ton	55.94
Total Electricity Consumption	kWh	212,931,503.12
Purchased Electricity	kWh	212,371,923.12
Photovoltaic Power Generation Capacity	kWh	559,580.00
Electricity Consumption Density per Unit Output	kWh/ton	3,803.00
Quantity of Externally Purchased Steam	ton	70,114.89

Water Consumption		
Indicator	Unit	2024
Water Intake	cubic meter	333,904.44
Municipal Water Supply	cubic meter	100,781.62
Wastewater (Reclaimed Water) From Other Enterprises or Organizations	cubic meter	233,122.82

Water Consumption

Water Intake Intensity	cubic meter	5.86
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GHG Emissions

Indicator	Unit	2024
Total amount of GHG emissions	tCO ₂ e	140,246.43
Scope 1	tCO ₂ e	15,578.25
Scope 2	tCO ₂ e	124,668.18

Environmental Data Notes: The average lower calorific value refers to GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy Consumption. The electricity-to-standard-coal conversion factor adopts equivalent value. Greenhouse gas emission data is calculated according to ISO14064-3:2019 Greenhouse Gas Accounting Standards.

Social Performance

Number and Percentage of Employees

Total number of employees	1,233	
By Gender	Number	Percentage
Male	684	55.47%
Female	549	44.53%
By Position	Number	Percentage
Senior Management	3	0.24%
Middle Management	34	2.76%
General Employees	1,196	97.00%
By Age Group	Number	Percentage
Below 30 years old	214	17.36%
31-40 years old	365	29.60%
41-50 years old	460	37.31%

Above 50 years old	194	15.73%
By Region	Number	Percentage
China (including Mainland China, Hong Kong, Macau, and Taiwan)	1,233	100.00%
Overseas Countries or Regions	0	0.00%
By Ethnicity	Number	Percentage
Han Ethnicity	1,226	99.43%
Ethnic Minorities	7	0.57%
By Education Level	Number	Percentage
Bachelor's Degree and above	52	4.22%
Associate Degree	76	6.16%
Below Associate Degree	1,105	89.62%
By Profession	Number	Percentage
Production Personnel	1,198	97.16%
R&D Personnel	9	0.73%
Finance Personnel	1	0.08%
Administrative Personnel	5	0.41%
Others	20	1.62%

Number and Percentage of New Employees

Total Number	284	
By Gender	Number	Percentage
Male	170	59.86%
Female	114	40.14%

Number and Percentage of New Employees		
By Age Group	Number	Percentage
Below 30 years old	123	43.31%
30-50 years old	152	53.52%
Above 50 years old	9	3.17%
By Region	Number	Percentage
China (including Mainland China, Hong Kong, Macau, and Taiwan)	284	100.00%
Overseas Countries or Regions	0	0.00%

Management Staff		
Total Number		37
By Gender	Number	Percentage
Male	34	91.89%
Female	3	8.11%
By Age Group	Number	Percentage
31-40 years old	11	29.73%
41-50 years old	18	48.65%
Above 50 years old	8	21.62%
By Ethnicity	Number	Percentage
Han Ethnicity	37	100.00%
Ethnic Minorities	0	0.00%

Total Number and Percentage of Disabled Employees		
	Number	Percentage
	0	0.00%

Trainings and Employee Development

Training Hours and Coverage	
Total Training Hours	32,687
Average Training Hours	26.51
Total Number and Percentage of Trained Employees	
Total Number	1,233
Percentage	100.00%

Employees Undergo Performance and Career Development Evaluations		
Total Number of Employees Undergo Performance and Career Development Evaluations		1,233
Percentage of Employees Undergo Performance and Career Development Evaluations		100.00%
By Gender	Number	Percentage
Male	684	100.00%
Female	549	100.00%
By Position	Number	Percentage
Senior Management	3	100.00%
Middle Management	34	100.00%
General Employees	1,196	100.00%

Labor Rights and Benefit

Discrimination	
Total Number of Discrimination Incidents	0

Return-To-Work Rate of Employees Taking Parental Leave	
By Gender	Number
Male	100.00%
Female	100.00%

Health and Safety

Work-related Injuries	
Number of deaths due to work-related injuries	0
Percentage of deaths due to work-related injuries	0.00%
Number of Recordable Work-Related Injuries	9
Recordable Injury Rate (per 200,000 Working Hours) ⁷	0.73
Recordable Injury Rate (per 1,000,000 Working Hours) ⁸	3.64
Total Lost Work Hours Due to Work-Related Injuries	2,160
Lost Time Injury Frequency Rate for Direct Labor	0.00%

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

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

Occupational Health and Safety Drills and Inspections	
Safety Emergency Drills (Instances/Times)	12
Safety Training Duration (Hours)	24,660
Safety Publicity/Awareness Activities (Instances/Times)	2
Planned Safety Inspections (Instances/Times)	24

Occupational Health and Safety Drills and Inspections	
Unplanned/Ad-hoc Safety Inspections (Instances/Times)	5
Employee Occupational Health and Safety Training Rate (%)	100.00%

Supply Chain Management

Total Number and Percentage of Suppliers		
Total Number of Core Suppliers	23	
Total Number of New Suppliers	1	
By location	Number	Percentage
China (including Mainland China, Hong Kong, Macau, and Taiwan)	23	100.00%
Foreign Countries or Districts	0	0.00%

Supplier Audit	
Percentage of Core Suppliers Certified in Quality, Environmental, and Occupational Health & Safety Management Systems	91.30%
Cumulative Number of Core Suppliers Evaluated	5
Number of Contractors with Executed EHS Agreements	3

Supplier Environmental Assessment	
Core Suppliers Assessed for Environmental Impacts	5
New Suppliers that Were Screened Using Environmental Criteria	1
Core Suppliers Identified as Having Significant Actual and Potential Negative Environmental Impacts	0

Supplier Environmental Assessment	
Core Suppliers Identified as Having Significant Actual and Potential Negative Environmental Impacts with Which Improvements Were Agreed upon as a Result of Assessment	0
Core Suppliers Identified as Having Significant Actual and Potential Negative Environmental Impacts with Which Relationships Were	0

Supplier Social Assessment	
Core Suppliers Assessed for Social Impacts	5
New Suppliers that Were Screened Using Social Criteria	1
Core Suppliers Identified as Having Significant Actual and Potential Negative Social Impacts	0
Core Suppliers Identified as Having Significant Actual and Potential Negative Social Impacts with Which Improvements Were Agreed Upon as A Result of Assessment	0
Core Suppliers Identified as Having Significant Actual and Potential Negative Social Impacts with Which Relationships Were Terminated as a Result of Assessment	0

Product Quality and Safety

Customer Service	
Customer Complaint Response Rate	100%
Customer Complaint Resolution Rate	100%

Number of Complaints Received Regarding Products/Services and Corresponding Handling Methods	
Incidents of Non-Compliance with Regulations Resulting in a Fine or Penalty	0
Incidents of Non-Compliance with Regulations Resulting in A Warning	0
Incidents of Non-Compliance with Voluntary Codes	0

Governance Performance

Anti-Corruption

Employees Received Communication and Training about Anti-Corruption Policies and Procedures		
	Number	Percentage
	1,233	100.00%

Marketing and Labeling

Non-compliance Incidents Related to Product/Service Information and Labelling		
	Product	Service
Incidents of Non-Compliance with Regulations Resulting in A Fine or Penalty	0	0
Incidents Of Non-Compliance with Regulations Resulting in a Warning	0	0
Incidents of Non-Compliance with Voluntary Codes	0	0

Non-compliance Incidents Related to Product/Service Marketing		
	Product	Service
Incidents of Non-Compliance with Regulations Resulting in A Fine or Penalty	0	0
Incidents Of Non-Compliance with Regulations Resulting in a Warning	0	0
Incidents of Non-Compliance with Voluntary Codes	0	0

10.2 GRI Index

Statement of use	Statement of use: Junma Polyester has reported in accordance with the GRI Standards for the period from Jan 1st, 2024 to Dec 31st, 2024.
GRI1 used	GRI1: Foundation 2021

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	P11			
	2-2 Entities included in the organization's sustainability reporting	P4			
	2-3 Reporting period, frequency and contact point	P4			
	2-4 Restatements of information			This report marks Junma Polyester's inaugural ESG disclosure and does not include any restatement of previously published information.	
	2-5 External assurance	P118			
	2-6 Activities, value chain and other business relationships	P11			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-7 Employees	P62			
	2-8 Workers who are not employees	P68			
	2-9 Governance structure and composition	P18			
	2-10 Nomination and selection of the highest governance body			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	2-11 Chair of the highest governance body			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	2-12 Role of the highest governance body in overseeing the management of impacts	P18			
	2-13 Delegation of responsibility for managing impacts	P18			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	P22			
	2-15 Conflicts of interest	P20			
	2-16 Communicatio n of critical concerns	P25			
	2-17 Collective knowledge of the highest governance body	P25			
	2-18 Evaluation of the performance of the highest governance body			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	2-19 Remuneration policies	P79			
	2-20 Process to determine remuneration	P79			
	2-21 Annual total compensation ratio			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	P23			
	2-23 Policy commitments	P23			
	2-24 Embedding policy commitments	P23			
	2-25 Processes to remediate negative impacts	P20			
	2-26 Mechanisms for seeking advice and raising concerns	P20			
	2-27 Compliance with laws and regulations	P18			
	2-28 Membership associations	P15			
	2-30 Collective bargaining agreements	P82			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 3: Material Topics 2021	3-1 Process to determine material topic	P26			
	3-2 List of material topics	P27			
	3-3 Management of material topics	P27			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	201-2 Financial implications and other risks and opportunities due to climate change	P45			
	201-3 Defined benefit plan obligations and other retirement plans	P80			
	201-4 Financial assistance received from government			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	202-2 Proportion of senior management hired from the local community			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	203-2 Significant indirect economic impacts			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P21			
	205-2 Communication and training about anti-corruption policies and procedures	P19			
	205-3 Confirmed incidents of corruption and actions taken	P19			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P19			
GRI 207: Tax 2019	207-1 Approach to tax			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	207-2 Tax governance, control, and risk management			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
	207-4 Country-by-country reporting			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
GRI 301: Materials 2016	301-1 Materials used by weight or volume			Information Deficiency	Required information is temporarily unavailable and cannot be fully disclosed.
	301-2 Recycled input materials used			Information Deficiency	Required information is temporarily unavailable and cannot be fully disclosed.
	301-3 Reclaimed products and their packaging materials			Information Deficiency	Required information is temporarily unavailable and cannot be fully disclosed.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P97			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	P97			
	302-3 Energy intensity	P97			
	302-4 Reduction of energy consumption	P41			
	302-5 Reductions in energy requirements of products and services	P41			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P44			
	303-2 Management of water discharge-related impacts	P33			
	303-3 Water withdrawal	P33			
	303-4 Water discharge	P33			
	303-5 Water consumption	P33			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
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	P49			
	304-2 Significant impacts of activities, products and services on biodiversity	P49			
	304-3 Habitats protected or restored			Not Applicable	The related index is not applicable for our company.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Not Applicable	The related index is not applicable for our company.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P43			
	305-2 Energy indirect (Scope 2) GHG emissions	P43			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions			Information Deficiency	We plan to establish a more comprehensive data collection and management system in the coming years, so that we can disclose relevant data more accurately and in greater detail in subsequent annual reports.
	305-4 GHG emissions intensity			Information Deficiency	We plan to establish a more comprehensive data collection and management system in the coming years, so that we can disclose relevant data more accurately and in greater detail in subsequent annual reports.
	305-5 Reduction of GHG emissions	P41			
	305-6 Emissions of ozone-depleting substances (ODS)			Not Applicable	The related index is not applicable for our company.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not Applicable	The related index is not applicable for our company.

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P38			
	306-2 Management of significant waste-related impacts	P37			
	306-3 Waste generated	P38			
	306-4 Waste diverted from disposal	P38			
	306-5 Waste directed to disposal	P38			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P103			
	308-2 Negative environmental impacts in the supply chain and actions taken	P88			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		401-1-b	Confidentiality	Due to involvement of trade secrets, temporarily restricted from public disclosure

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P80			
	401-3 Parental leave	P102			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	P82			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P63			
	403-2 Hazard identification, risk assessment, and incident investigation	P64			
	403-3 Occupational health services	P65			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	P62			
	403-5 Worker training on occupational health and safety	P69			
	403-6 Promotion of worker health	P67			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P68			
	403-8 Workers covered by an occupational health and safety management system	P63			
	403-9 Work-related injuries	P63			
	403-10 Work-related ill health	P68			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P79			
	404-2 Programs for upgrading employee skills and transition assistance programs	P78			
	404-3 Percentage of employees receiving regular performance and career development reviews	P101			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P72			
	405-2 Ratio of basic salary and remuneration of women to men			Confidentiality Restrictions	Contains confidential business information; temporarily withheld from public disclosure
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P74			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
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	P82			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	P73			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	P73			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	P73			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Information Deficiency	Required information is temporarily unavailable and cannot be fully disclosed

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P79		Not Applicable	The related index is not applicable for our company
	413-2 Operations with significant actual and potential negative impacts on local communities	P103			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P88			
	414-2 Negative social impacts in the supply chain and actions taken	P52			
GRI 415: Public Policy 2016	415-1 Political contributions	P104			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P105			

GRI STANDARD	DISCLOSUR	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	P105			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P105			
	417-2 Incidents of non-compliance concerning product and service information and labeling	P22			
	417-3 Incidents of non-compliance concerning marketing communications	P73			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P22			

10.3 United Nations Sustainable Development Goals (SDGs) Benchmarking Index

SDGs	Content	Location
	Goal 2 No Hunger	Social Welfare and Charity
	Goal 3 Good Health and Well-being	Human Resources Management
	Goal 4 Quality Education	Human Resources Management
	Goal 5 Gender Equality	Human Resources Management Responsible Supply Chain Management
	Goal 6 Clean Water and Sanitation	Environmental Sustainable Development
	Goal 7 Affordable and Clean Energy	Environmental Sustainable Development
	Goal 8 Decent Work and Economic Growth	Product Quality and R&D Human Resources Social Welfare and Charity

SDGs	Content	Location
	Goal 9 Industry, Innovation and Infrastructure	Social Welfare and Charity
	Goal 10 Reduced Inequalities	Human Resources Management Responsible Supply Chain Management
	Goal 12 Responsible Consumption and Production	Environmental Sustainable Development Product Quality and R&D
	Goal 13 Climate Action	Environmental Sustainable Development
	Goal 15 Life on Land	Environmental Sustainable Development
	Goal 16 Peace, Justice and Strong Institution	Integrity and Compliance Governance Responsible Supply Chain Management

11 Independent Assurance Statement



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Zhangjiagang Junma Polyester Fiber Products Company Limited. (hereinafter "Junma Polyester Fiber" or "the Company") to conduct an independent third-party assurance of 2024 Environmental, Social and Corporate Governance Report of Junma Polyester Fiber (hereinafter, "ESG Report"). The report disclosed sustainability information for the fiscal year 2024 (January 1, 2024 to December 31, 2024) of Junma Polyester Fiber.

Responsibilities

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

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of report of Junma Polyester Fiber. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on ESG reporting.

Assurance Standard

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

Assurance Objectives

The purpose of the assurance was to provide management of Junma Polyester Fiber and stakeholders concerned with the company's sustainability information and performance to provide an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- GRI Sustainability Reporting Standards (GRI Standards) of Global Sustainability Standards Board (GSSB)
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.

- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

Conclusions

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

- 2024 ESG Report of Junma Polyester Fiber and its contents are in adherence to the AA1000AP AccountAbility Principles.
- Junma Polyester Fiber has implemented management processes to collect and aggregate performance information and data related to materiality issues within the reporting boundary, and the company has identified, evaluated, defined and managed material issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

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

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

Junma Polyester Fiber identified its key stakeholders such as government and regulators, shareholders and investors, customers, employees, suppliers, communities and the public, industry, NGOs and related institutions, and the environment. Evidence showed that in 2024, the company conducted internal and external stakeholder questionnaire surveys, covering ESG issues such as climate change, emissions and waste, water management, product quality and safety, and responsible supply chains. The results of the survey and analysis could provide a reference for the analysis of materiality issues.

Materiality

Evidence indicated that in 2024, Junma Polyester Fiber has carried out a materiality issue assessment process. Based on the results of the benchmarking of sustainability standards and the analysis results of stakeholder questionnaires, the company evaluated and prioritized the importance of ESG issues from two dimensions: the degree of impact on the environment and society, and the importance to the company. The materiality matrix showed issues of high importance (e.g., emissions and waste management, resource management, product quality and safety, climate change, greenhouse gas management, etc.).

Responsiveness

The communication channels between Junma Polyester Fiber and its key stakeholders usually included but were not limited to regulatory communication, customer service, employee training and satisfaction surveys, supplier training and audits, participation in the formulation of industry standards, community public welfare, etc.



The report disclosed data on key performance indicators such as greenhouse gas emissions (including Scope 1 and 2 emissions), emissions and waste, energy consumption, water use, employee management and training, workplace injuries, supplier management, etc. The report disclosed environmental goals and actions taken in response to the United Nations Sustainable Development Goals (SDGs).

Impact

Junma Polyester Fiber has identified risks in many ESG areas, including energy and greenhouse gas emissions, information security, business ethics and anti-corruption, etc., and combined compliance management and internal control measures to manage ESG risks in corporate operations. The report disclosed the company has analysed climate change risks (including physical risks and transition risks) and opportunities and taken countermeasures to reduce the impact on its own operations, including cleaner production audit and acceptance, and the implementation of energy-saving technological transformation projects. We recommend that Junma Polyester Fiber conduct impact analysis and evaluation on issues of high importance, such as resource management, product quality and safety, etc.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, March 21, 2025





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