



Zhangjiagang Junma Steel Cord Co., Ltd.

2024 Environmental, Social and Governance Report



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About This Report

This report constitutes the third Environmental, Social, and Governance (ESG) Report published by Zhangjiagang Junma Steel Cord Co., Ltd. (hereinafter referred to as "this report"). It aims to disclose to investors and other stakeholders the company's philosophies, established management approaches, implemented initiatives, and achieved outcomes regarding sustainable development topics in its operations.

Basis of Preparation and Principles

The preparation of this report references the *Global Sustainability Standards Board (GSSB) Sustainability Reporting Standards (2021 edition)* (abbreviated as "GRI Standards"), as well as the United Nations Sustainable Development Goals (SDGs) and key topics of concern from major domestic and international ESG rating agencies.

Reporting Scope

Time Period: January 1, 2024, to December 31, 2024. Any content extending beyond this period will be noted accordingly.

Release Cycle: Irregular annual publication.

Entities Covered: The primary entity of this report is Zhangjiagang Junma Steel Cord Co., Ltd. Unless otherwise specified, the scope aligns with the consolidated financial statements of Junma Steel Cord during the same period.

Data Sources

The materials and data cited in this report are sourced from the company's official documents, statistical reports, and financial reports, and have been compiled, aggregated, and reviewed by relevant departments. Unless otherwise specified, all monetary data in this report are in Renminbi (RMB).

Explanation of References

For ease of expression, references to "Zhangjiagang Junma Steel Cord Co., Ltd.," "Junma Steel Cord," "the company," "the enterprise," or "we" in this report all denote Zhangjiagang Junma Steel Cord Co., Ltd.

Report Assurance

This report has been assured by an independent third-party assurance provider, TÜV Rheinland (Shanghai) Co., Ltd., in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3). The assurance covers the sustainability information disclosed in this report at Type-1 and moderate level, with an independent assurance statement issued. For details on the assurance, please refer to Chapter 9 of this report, "Independent Assurance Statement."

Obtaining the Report

This report is published in electronic versions in both Chinese and English, accessible via the official website of Junma Group (jsjunma.com). In case of any discrepancies, the Chinese version shall prevail.

Feedback

If you have any questions or suggestions regarding the content of this report or Zhangjiagang Junma Steel Cord Co., Ltd.'s ESG initiatives, please contact us via the following channels:

Headquarter Address: Chenghang East Road, Yangshe Town, Zhangjiagang City, Suzhou, Jiangsu Province

Telephone: 0512-58140915

Email: office@junmachina.com

We will carefully review your feedback and ensure the strict confidentiality of your personal information

Message from the General Manager

Dear Partners, Investors, and Friends from All Sectors of Society:

It is our great honor to present to you the 2024 *Environmental, Social, and Governance (ESG) Report* of Junma Steel Cord, comprehensively reporting on our practices, reflections, and achievements on the path to sustainable development over the past year.

As one of the world's leading steel cord manufacturers, Junma Steel Cord is deeply aware of the responsibilities and missions it bears. We are not only committed to providing high-performance, high-quality steel cord products to the global tire industry but also to embedding the concept of sustainable development into every aspect of our corporate strategy and daily operations. We firmly believe that responsible development is the cornerstone of a company's long-term prosperity and our most solemn commitment to employees, customers, communities, and the environment.

We actively respond to the national "carbon peaking and carbon neutrality" goals, prioritizing energy conservation, emission reduction, and efficient resource utilization as core initiatives. In 2024, we continued to increase investments in environmental technology upgrades and green process transformations, such as optimizing production processes to reduce energy consumption, deepening water resource recycling, maintaining ISO 14001, ISO 45001, and ISO 50001 system certifications, conducting ISO 14064 organizational carbon inventories, setting emission reduction targets in line with SBTi requirements and regularly submitting CDP questionnaires, and steadily advancing clean energy projects such as on-site photovoltaic power generation. We strive to minimize environmental impacts during production, continuously improve the resource utilization rate of solid waste, and commit to reducing our carbon footprint, contributing to the construction of a beautiful China. In 2024, the company was awarded the title of Advanced Intelligent Demonstration Factory in Jiangsu Province.

In terms of social responsibility, we uphold the principle that employees are our most valuable asset. We continuously optimize the work environment, ensure employee health and safety, provide competitive compensation and benefits along with a comprehensive training and development system, focus on employees' physical and mental well-being, and foster a corporate culture of respect, inclusivity, and positive energy. At the same time, we actively give back to the community by participating in and supporting social public welfare activities such as education and poverty alleviation, striving to be a responsible corporate citizen. In supply chain management, we advocate for responsible procurement, emphasize suppliers' ESG performance, and

collaborate with upstream and downstream partners to promote the sustainable development of the industrial chain.

Simultaneously, we continuously refine our corporate governance structure to ensure effective board operations and enhance the scientific nature and transparency of decision-making. We strictly comply with national laws, regulations, and business ethics standards, establishing a robust internal control and risk management system. We place great importance on information security and data protection, continuously elevating compliance levels in operations. By strengthening mechanisms to prevent corruption and fraud, we cultivate a clean and upright business environment, ensuring the company's healthy, stable, and sustainable operations.

We recognize that the journey of sustainable development is endless. Facing future opportunities and challenges, Junma Steel Cord will continue to adhere to the philosophy of "innovation-driven, green development, and win-win cooperation," integrating ESG more deeply into our corporate development strategy. We will hold ourselves to higher standards, continuously improve our performance in environmental protection, social responsibility, and corporate governance, and strive to create greater comprehensive economic, environmental, and social value.

General Manager

Yang Cong



01

About Us



1.1 Company Profile

Zhangjiagang Junma Steel Cord Co., Ltd. was established in July 2003 and is headquartered in Zhangjiagang City, Jiangsu Province, China. It is one of the subsidiaries of Jiangsu Junma Group and operates as a joint-stock company. The company primarily engages in the production and sales of steel cord, a key framework material for radial tires. Its current product specifications nearly encompass all structures required by tire manufacturers, with products widely applied in PCR tires, TBR tires, and OTR tires. After years of development, it has ranked among the top five in the national industry, with an annual production capacity of 300,000 tons, and has become a national high-tech enterprise.

Three Major Products



Passenger Car Radial – Steel Cord

Truck, Bus Radial – Steel Cord

Off The Road – Steel Cord

Corporate Spirit

Strictness, Pragmatism, Diligence, Development

Core Values

"Quality First, Customer Satisfaction" as Corporate Purpose;
 "Leading Domestically, Catching up Globally" as Corporate Goal;
 "Never Satisfied, Pursuit of Excellence" as Corporate Style

Corporate Belief

Create Beautiful Environment, Cultivate Excellent Talent, Produce High-Quality Products, Provide Superior Services

Corporate Vision

Lead the domestic tire carcass material industry, collaborate with top-tier enterprises in the global and domestic industrial chains, and become an outstanding global partner across the entire value chain

Social Responsibility Philosophy

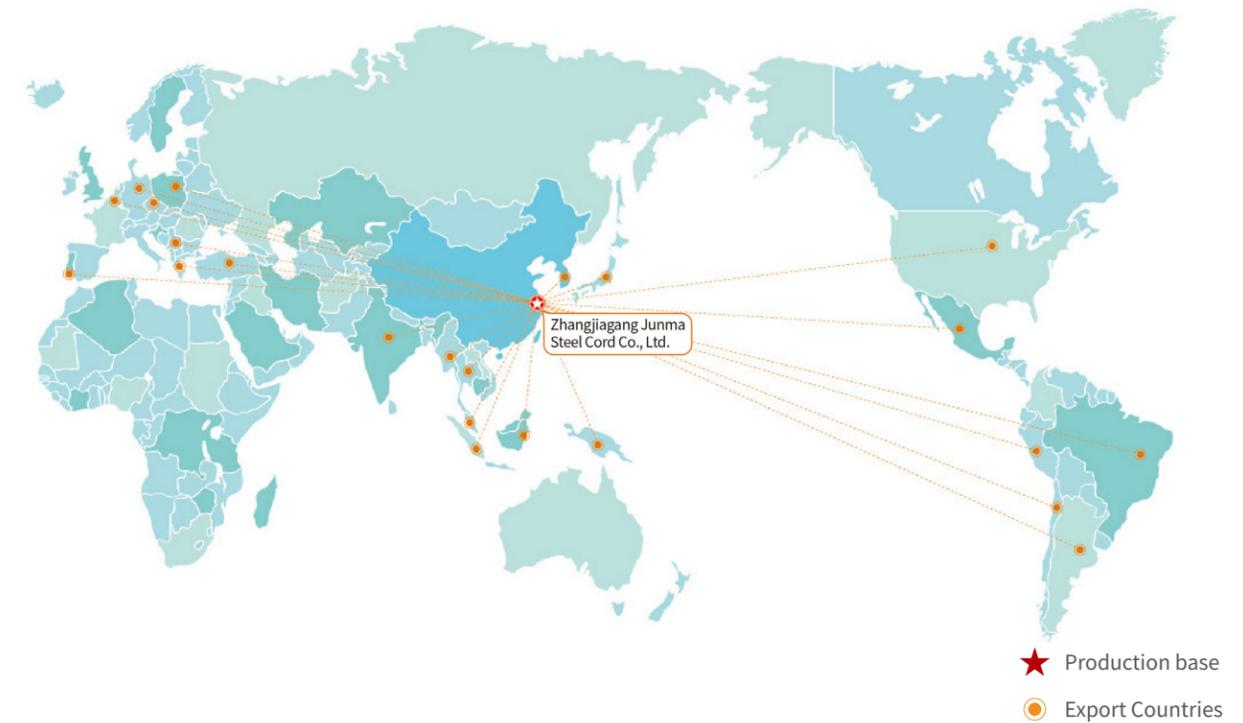
Co-Create Economic and Financial Results, Share Development Benefits;
 Co-Create Green Products, Share Blue Skies and Clean Waters;
 Co-Create a Harmonious Society, Share a Better Life

Social Responsibility Vision

Prioritize ecology, promote green development. Apply advanced energy-saving and emission-reduction technologies to become a leader in "clean production and green development" within China's tire carcass material industry

1.2 Business Layout

The company maintains long-term strategic partnerships with well-known domestic and international tire enterprises, with customers spanning across China and beyond, including major clients such as Shanghai Tire Group, Hangzhou Zhongce, Hankook Tire, Linglong Tire, Guizhou Tire, and Chengshan Tire. It also exports to Sumitomo in Japan and Hankook in South Korea, serving as a long-term strategic partner for both domestic and international radial tire enterprises.



Export Countries: Japan, South Korea, Vietnam, Thailand, India, Philippines, Indonesia, Malaysia, Singapore, Turkey, Serbia, Czech Republic, Germany, Netherlands, Poland, Greece, Portugal, United States, Mexico, Brazil, Peru, Chile, Argentina.

1.3 Sustainable Development Commitments and Certifications

Sustainable Development Commitments

The company actively responds to the *Paris Agreement* on climate change, having set near-term greenhouse gas reduction targets covering Scopes 1, 2, and 3, which have been validated by SBTi. It has also joined the United Nations Global Compact (UNGC), committing to support the UNGC's ten principles in the areas of human rights, labor, environment, and anti-corruption.

Junma Steel Cord Submitted Emissions Reduction Targets to SBTi

Zhangjiagang Junma Steel Cord Co., Ltd.
China, Asia

TARGETS SET Corporate View less ^

SBTi ID: 40015256
Organization type: Corporate
Sector: Automobiles and Components
Temperature alignment (based on scope 1 and 2 targets): 1.5°C

Target language: Zhangjiagang Junma Steel Cord Co., Ltd. commits to reduce absolute scope 1 and 2 GHG emissions 58.8% by 2034 from a 2023 base year. Zhangjiagang Junma Steel Cord Co., Ltd. also commits to reduce scope 3 GHG emissions from purchased goods and services 63.8% per CNY value added within the same timeframe.

DOWNLOAD ALL DATA AS XLS

Sustainability Certification

IATF 16949 Quality Management System



ISO 45001-2018 Occupational Health and Safety Management System



ISO 27001-2022 Information Security Management System



ISO 14001-2015 Environment Management System



ISO 50001-2018 Energy Management System



Product Life Cycle Assessment Certification (Steel cord)



Joined United Nations Global Compact

Over 20,000 business participants

IN THIS SECTION

Company Information

Type: Company
Country: China
Sector: Industrial materials
Ownership: Privately Held
Global Compact Status: Non-Communicating
Participant Since: 28 December 2023
Letter of Commitment
Next Communication on Progress (COP) due on: 31 July 2025

Share Profile

www.chinajunmagroup.com

02

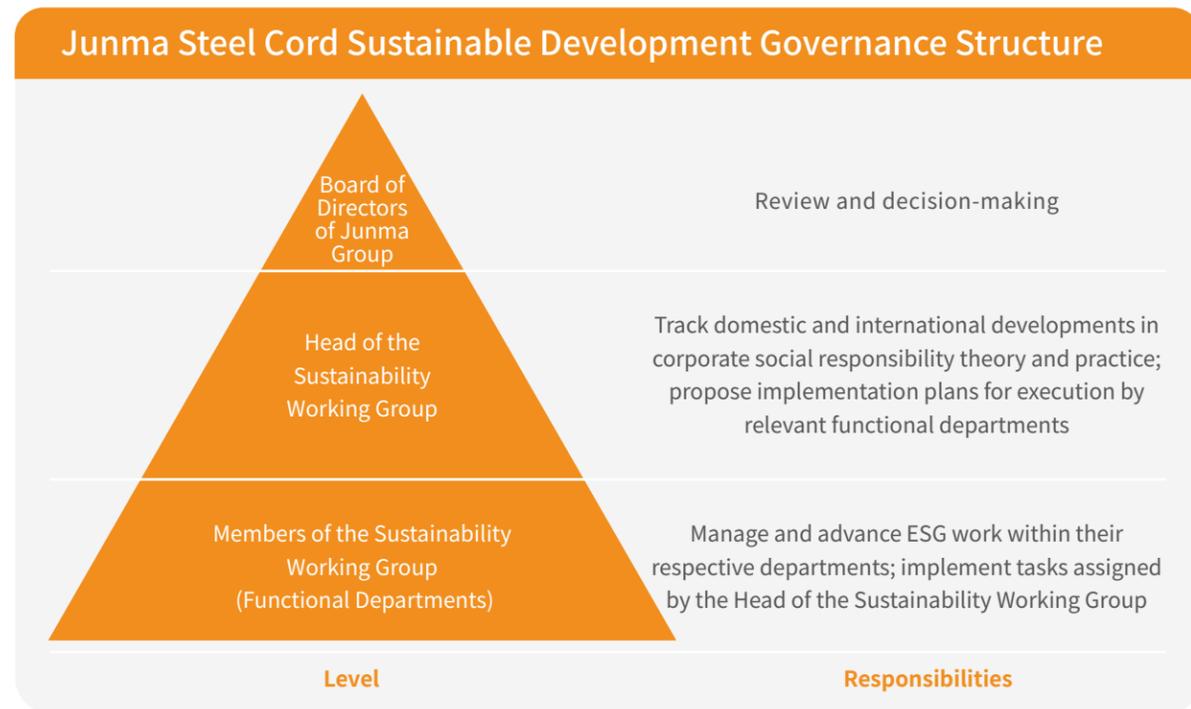
Sustainable Development Governance

Scored 71/100, Percentage Ranking 8%,
Achieved Silver Medal



2.1 Sustainable Development Management Structure

To better advance the group's globalization strategy and enhance the company's competitiveness in international markets, the company integrates environmental, social, and governance (ESG) factors into its operations through practical actions. It has established a sustainability working group dedicated to implementing various aspects of corporate social responsibility for sustainable development.



Junma Steel Cord Sustainability Commitments



Environmental Protection

The company is committed to continuously improving its environmental management system, implementing pollution prevention on an ongoing basis, and adopting closed-loop management for wastewater and solid waste generated during operations. We strengthen water resource planning and conservation, and embed life-cycle thinking into product design to create a low-carbon, recyclable green product portfolio.



Energy Conservation

We commit to building an energy efficiency improvement system covering all business processes, with energy saving and carbon reduction at its core. Through process innovation, equipment upgrades, and renewable energy substitution, we continuously reduce energy consumption and greenhouse gas emissions, embedding the green operations concept into every stage of R&D, production, office operations, and the supply chain.



Health and Safety

We commit to effectively managing chemical risks throughout their life cycle. At worksites, we rely on systematic risk identification, assessment, and intervention to prevent personal injury, operational disruption, and asset loss in advance. We identify, assess, and communicate all occupational hazards, and provide targeted protective measures to safeguard the health and safety of employees, contractors, and related parties.



Employee Rights

We prohibit all forms of discrimination, harassment, or abuse; maintain zero tolerance for bribery and fraud; and are committed to creating an excellent working environment with competitive compensation and benefits.



Sustainable Procurement

We actively promote joint social commitments with upstream and downstream supply chain partners. We prioritize the procurement of recyclable packaging and ensure its reuse and recycling, enabling resources to circulate in a closed loop and reducing resource consumption.

Sustainability Performance Monitoring and Evaluation



The company incorporates sustainability indicators into its performance appraisal system and regularly publishes sustainability reports to disclose progress toward targets, identify and manage related risks, maintain communication with stakeholders, and continuously improve to ensure the sustainable and coordinated development of economic, social, and environmental benefits.

2.2 Stakeholder Engagement

Based on our business operations and industry characteristics, we have identified key stakeholders, including government and regulatory authorities, shareholders and investors, customers, employees, suppliers, communities and the public, industry associations, and NGOs/public welfare organizations. We value stakeholder communication and actively engage through diverse channels to understand their expectations and ESG concerns, integrating them into our sustainability planning.

Stakeholder	Key Concerns	Communication Channels
 Government & Regulators	<ul style="list-style-type: none"> · Corporate Governance · Compliance Operation · Anti-Corruption and Anti-Bribery · Carbon Emissions Management · Waste Management · Energy Management · Environmental Management · Circular Economy · Clean Technology Opportunities · Water Resource Management · Product Quality and Safety 	<ul style="list-style-type: none"> · Regulatory Inspections · Official Visits
 Shareholders and Investors	<ul style="list-style-type: none"> · Corporate Governance · Compliance Operation · Anti-Corruption and Anti-Bribery · Innovation and R&D 	<ul style="list-style-type: none"> · Performance Briefings · Shareholders' Meeting · Corporate Website
 Customers	<ul style="list-style-type: none"> · Product and Service Quality Management · Innovation and R&D · Intellectual Property Protection · Supply Chain Management · Information Security · Environmental Management · Carbon Emissions Management · Occupational Health and Safety 	<ul style="list-style-type: none"> · Trade Exhibitions · Customer Seminars · After-Sales Hotline and Email · Customer Satisfaction Surveys
 Employees	<ul style="list-style-type: none"> · Occupational Health and Safety · Employee Rights and Benefits · Employee Training and Development · Information Security · Anti-Corruption and Anti-Bribery 	<ul style="list-style-type: none"> · Employee Interviews · Employee Satisfaction Surveys · Employee Feedback Platforms
 Suppliers	<ul style="list-style-type: none"> · Product and Service Quality Management · Supply Chain Management · Compliance Operation · Information Security 	<ul style="list-style-type: none"> · Supplier Conferences · Supplier Trainings · Supplier Assessment and On-site Inspections · Cooperation Agreements (including whistleblowing email: hankouzh@163.com; hotline: +86-512-58140915)
 Communities and Public	<ul style="list-style-type: none"> · Community Development and Public Philanthropy 	<ul style="list-style-type: none"> · Public Welfare Activities · Community Volunteer Services

Stakeholder	Key Concerns	Communication Channels
 Industry Association	<ul style="list-style-type: none"> · Innovation R&D · Product and Service Quality Management · Intellectual Property Protection 	<ul style="list-style-type: none"> · Industry Forums and Seminars · Industry-Academia-Research Collaborations
 NGOs/Public Welfare Organizations	<ul style="list-style-type: none"> · Community Development and Public Philanthropy · Carbon Emissions Management · Innovation and R&D · Supply Chain Management · Occupational Health and Safety · Employee Rights and Benefits 	<ul style="list-style-type: none"> · Forums

2.3 Material Topics

Through internal and external research, we invited stakeholders to participate in materiality assessments. Based on the principle of double materiality (financial materiality and impact materiality), we analyzed and ranked relevant topics to form a materiality matrix. The management approach and annual performance for the 20 identified topics are addressed and disclosed in this report.



Identification

- Identify material topics highly relevant to the company's operations based on global accountability trends, national policy direction, international standards (GRI, SDGs), industry benchmarks, etc.



Assessment

- Invite various stakeholders to evaluate the extent and scope of actual or potential significant impacts that each topic may have on the economy, society, and environment in the short, medium, and long term, as well as the extent and scope of actual or potential significant impacts that each topic may have on the company's business operations, financial position, and other aspects of financial performance in the short, medium, and long term, thereby forming a two-dimensional evaluation of topic importance.



Prioritization

- By collating the evaluation results from various stakeholders, and integrating suggestions from external sustainability experts along with peer benchmarking outcomes, the materiality topics are ultimately prioritized.



Validation

- The analysis results of these materiality topics are reviewed and confirmed by the company's management, various business departments, and external experts, ultimately forming the 2024 Materiality Matrix for Junma Steel Cord, which is disclosed in the 2024 ESG Report.

Material Topics Matrix of Junma Steel Cord

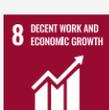


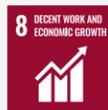
Governance dimension	1. Corporate Governance 2. Compliance Operation 3. Information Security	4. Anti-Corruption and Anti-Bribery 5. Intellectual Property Protection
Environmental dimension	6. Carbon Emissions Management 7. Waste Management 8. Energy Management 9. Environmental Management	10. Circular Economy 11. Clean Technology Opportunities 12. Water Resource Management
Social Dimension	13. Supply Chain Management 14. Product and Service Quality Management 15. Product Quality and Safety 16. Occupational Health and Safety	17. Employee Rights and Benefits 18. Employee Training and Development 19. Innovation and R&D 20. Community Development and Public Philanthropy

2.4 Alignment with the United Nations Sustainable Development Goals (SDGs)

We actively respond to the UN SDGs, integrating sustainability management into all aspects of our operations. Based on our business activities and stakeholder priorities, we summarize our actions and performance against 16 SDGs as follows:

Dimension	SDGs	Our Actions
Environment	 6. CLEAN WATER AND SANITATION	All industrial wastewater is treated to meet discharge standards before direct release; Replaced outdated equipment and carried out equipment upgrades to reduce water waste; Encouraged employees to conserve water in daily operations.
	 7. AFFORDABLE AND CLEAN ENERGY	Actively explore the use of clean energy, plan reasonable decarbonization pathways, and reduce greenhouse gas emissions.
	 12. RESPONSIBLE CONSUMPTION AND PRODUCTION	Strictly implement waste classification; engage qualified contractors for waste disposal; increase the recycling rate of raw materials; strictly control chemical safety.
	 13. CLIMATE ACTION	Identify climate-related risks and opportunities with reference to the TCFD framework; develop climate change contingency plans; strengthen employee awareness and training.
	 15. LIFE ON LAND	Commit to refraining from conducting any business activities in protected wildlife habitats.

Dimension	SDGs	Our Actions
Social		Remain attentive to social needs, actively participate in public welfare, and build a company-specific public welfare system.
		Organize and participate in charitable activities.
		Provide employees with a safe workplace, ensure compliance with PPE requirements, conduct regular health checks, and deliver safety training.
		Establish a comprehensive training system, offer diverse training programs, and promote mutual growth of employees and the company; Support education through donations to “Hope Primary Schools.”
		Comply with labor laws, provide equal employment opportunities for women, ensure equal treatment in pay and promotion, and actively cooperate with women-led enterprises.
		Improve employee benefits, protect legal rights, oppose child labor and forced labor; Establish fair and competitive remuneration; provide decent work and a healthy, safe work environment; Support local procurement to boost the local economy.

Dimension	SDGs	Our Actions
Social		Strictly manage supplier material quality; source locally to ensure raw material supply; Jointly promote sustainable production and consumption with suppliers to achieve a circular economy; Actively pursue product innovation and R&D to enhance core competitiveness and drive industry development; Engage in industry-academia cooperation to cultivate innovative talent; participate in industry exchanges to enhance R&D capabilities; Contribute to industry standards development.
		Uphold labor rights and gender equality; Implement diversity and inclusion policies; eliminate all forms of inequality; Respect diverse customs and religious beliefs; create an inclusive, respectful workplace; Actively cooperate with women- and minority-led enterprises; Recruit and support employees with disabilities.
		Through technological upgrades and customer demand management, provide higher-quality products and services; commit to not sourcing minerals from conflict-affected areas.
Governance		Actively expand markets to achieve higher levels of economic productivity.
		Comply with laws and regulations, strengthen institutional frameworks, establish a clear governance structure with defined responsibilities; Build a compliant, transparent, and accountable organization; enhance business ethics and anti-corruption systems; Reduce incidents of unethical conduct; Raise employee awareness of information security; Strengthen data and network protection to prevent customer information breach.

03

Consolidating the Corporate Foundation

Qualitative Targets

- Firmly oppose any form of bribery.
- Ensure all employees and supply chain partners avoid conflicts of interest.
- Prohibit money laundering in any business activity.
- Comply with the *Anti-Unfair Competition Law of the People's Republic of China* in all business operations.
- Responsibly manage all company confidential information and customer privacy data.
- Conduct anti-fraud themed education.

Quantitative Targets

Number of lawsuits related to corruption or bribery

Target: 0 2024 Performance: 0

Training coverage rate for key positions (e.g., procurement personnel) on anti-bribery, anti-money laundering, anti-unfair competition, and business ethics

Target: 100% 2024 Performance: 100%

Signing rate of "Integrity Agreement" by procurement and sales staff

Target: 100% 2024 Performance: 100%

Number of reported incidents involving infringement of employee or customer privacy

Target: 0 2024 Performance: 0

Key Performance

Conducted two integrity and self-discipline training sessions, totaling
4 hours

Percentage of employees received training related to business ethics:
100%

Number of reports of corruption, bribery, unfair competition, or money laundering:
0

Number of concluded lawsuits related to corruption against the company or employees:
0

Percentage of operating sites covered by the anti-corruption management system:
100%

Number of confirmed information security incidents:
0

ISO 27001 certification coverage rate of operating sites:
100%

Percentage of operating sites conducted internal audits and risk assessments on business ethics issues:
100%

3.1 Governance Structure

The company strictly complies with the *Company Law of the People's Republic of China* and other relevant laws and regulations to optimize its management structure. The Board of Directors is the highest decision-making body, under which the General Manager, Deputy General Manager, and Chief Financial Officer operate. Through the management principle of “whoever initiates is responsible; whoever benefits bears the responsibility,” we have further clarified the division of powers and responsibilities, standardized related-party transactions such as logistics and support services, and transitioned from highly centralized management to a model primarily based on autonomous management.

The company emphasizes core functions such as strategic planning, investment decision-making, key personnel appointments, comprehensive budgeting, capital control, operational coordination, external cooperation, and risk management. We have established a streamlined, efficient, and internationally aligned flat management system, aiming to build a high-performing international enterprise and enhance overall operational efficiency and effectiveness.

3.2 Risk Management and Internal Control

To enhance our ability to prevent legal risks and operate in accordance with the law, the Company has formulated a Five-Year Plan for Legal Governance, setting out overall objectives, requirements, and tasks for advancing legal compliance. We strengthen the compliance mindset in decision-making, operations, and project execution, assign clear responsibilities, and extend compliance principles to our business partners.

We attach great importance to lawful operations and management, having established a legal counsel system. This forms a three-pronged corporate legal risk prevention framework led by senior management, supported by corporate legal advisors, and involving all employees. The framework integrates “prevention before the event, control during the event, and remediation after the event.” Through comprehensive risk management and internal control evaluations, we continuously improve our risk prevention capabilities.

 <p>Sustainable Operations Risk Management</p>	<p>To ensure the Company maintains healthy and sustainable growth in today's highly competitive environment, we systematically collect, study, and monitor both international and national laws and regulations, keeping abreast of updates. We conduct annual reviews and evaluations to ensure that all business activities are carried out in full compliance with applicable laws and regulations. In addition, we regularly analyze domestic and international developments and apply the SWOT analytical framework to assess the Company's competitive strengths and weaknesses, providing strategic direction for medium- to long-term business planning.</p>
 <p>Occupational Health and Safety Risk Management</p>	<p>As the employment environment becomes increasingly complex, the Company has implemented dedicated risk controls for occupational health and safety. We have established a specialized department to monitor employee health conditions and compliance with relevant workplace regulations. Measures include regular employee interviews and periodic health assessments. These initiatives reflect the Company's strong commitment to safeguarding employees' occupational health and safety.</p>
 <p>Environmental and Safety Risk Management</p>	<p>In response to increasingly stringent global environmental protection policies, the Company has established a dedicated Environment, Health, and Safety (EHS) Department, led by a senior executive with direct responsibility for this area. This department oversees all matters related to environmental protection and production safety. The Company also undergoes periodic inspections by relevant government supervisory authorities to ensure compliant operations.</p>
 <p>Information Security Risk Management</p>	<p>With the advent of the new digital economy, the Company has placed growing emphasis on protecting its information assets. Recently, we obtained ISO 27001 certification, enabling us to implement information security management in a truly effective and systematic manner.</p>

Business Ethics

Anti-Corruption and Anti-Bribery

In accordance with the *Anti-Unfair Competition Law of the People's Republic of China* and the Interim Provisions on Prohibiting Commercial Bribery, the Company has developed internal regulations such as the *Rules and Regulations of Zhangjiagang Junma Steel Cord Co., Ltd. and the Compliance Manual*. These documents set out codes of conduct for employees regarding anti-bribery and anti-corruption, with detailed provisions on business referrals, personal investments, improper gains, and acceptance of money or gifts from partners.

Bribery and Corruption Risk Assessment	<ul style="list-style-type: none"> The Company conducts corruption risk assessments at all operating sites, focusing on: <ul style="list-style-type: none"> Employees accepting kickbacks, gifts, or other improper benefits. Lack of transparency in quality inspection and acceptance processes, lowering quality management standards and requirements for personal gain.
Internal Audit	<ul style="list-style-type: none"> Through risk-based audits, the Company identifies potential risks in business scenarios. Employees are prohibited, during their tenure, from seeking or accepting any personal favors or monetary benefits from customers, suppliers, competitors, retailers, distributors, or any other business partners of the Company.
Approval of Sensitive Transactions	<ul style="list-style-type: none"> All gifts and hospitality expenses provided externally in the name of the Company must be accompanied by a formal expense report specifying the date, counterparty, and purpose, and must be submitted to the Audit Department for approval. For reimbursement approvals that meet the relevant pre-approval criteria, supporting evidence of prior approval (e.g., written application, screenshot, or other archivable proof) must be submitted. Reimbursements will not be processed without such evidence.
Supplier Management	<ul style="list-style-type: none"> The Company conducts anti-corruption and anti-bribery due diligence on suppliers Requires suppliers to sign documents such as the <i>Supplier Integrity Commitment and Confidentiality Agreement</i>.
Management of High-Risk Positions	<ul style="list-style-type: none"> For high-risk positions such as those in the Procurement Department, employees are required to sign an <i>Integrity and Self-Discipline Agreement</i>
Anti-Corruption and Anti-Bribery Training	<ul style="list-style-type: none"> Led by the Legal Department, targeted training is provided to key positions (e.g., procurement personnel) on anti-corruption laws, regulations, and Company policies.
Supervisory System	<ul style="list-style-type: none"> Vertical management by the Audit Department. Combination of organizational oversight and public supervision. Integration of performance monitoring with audit supervision.

3.3.2 Anti-Unfair Competition

Risk Identification

The Company actively conducts risk identification and assessment on fair competition matters, identifying relevant risk items.



Control Procedures

Based on identified risks, the *Junma Group Compliance Manual* includes specific provisions on anti-unfair competition.

Employees shall consciously uphold the fairness of market order and shall not engage in activities aimed at excluding competitors, nor sell products or provide services below cost for the purpose of impeding competition.	Without legitimate justification, employees shall not engage in tying sales of products or services, or impose other unreasonable conditions against the purchaser's will.	Employees shall act in accordance with national laws and internationally accepted competition laws, and shall not participate in activities such as price fixing, market or customer allocation, market division, or bid rigging in collusion with competitors.
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Internal Audit

We conduct regular internal reviews and evaluations on fair competition issues, establish monitoring mechanisms, and promptly detect and correct violations to ensure all departments and employees comply with fair competition standards. In the reporting period, one internal audit was conducted.

3.3.3 Avoiding Conflicts of Interest

The company's internal regulations include provisions to prevent conflicts of interest.

All employees shall avoid any situation that could adversely affect business relationships due to a conflict of interest.	Employees shall not, directly or indirectly, hold any financial interest in another business entity through their spouse or other family members.	Employees shall not hold any ownership or equity interest in companies engaged in business activities that compete with those of the Company.	Employees must fully disclose any circumstances that may give rise to a potential conflict of interest.
---------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------

3.3.4 Anti-Money Laundering

The *Compliance Manual* strictly prohibits employees from legitimizing proceeds from criminal activities such as drug trafficking or smuggling.

3.3.5 Whistleblowing and Appeals

For all business ethics matters, including corruption, bribery, unfair competition, and money laundering, the Company provides open and transparent reporting and appeal channels:

	Email: hankouzh@163.com		Hotline: +86-512-58140915
-----------------------------------------------------------------------------------	----------------------------	-----------------------------------------------------------------------------------	------------------------------

We have established a robust whistleblower protection mechanism, strictly prohibiting retaliation and the disclosure of whistleblower information (name, department, company, etc.). Original or copied whistleblowing materials are not to be shown during investigations. Employees who violate these rules will have their labor contracts terminated; cases involving legal violations will be referred to judicial authorities.

During the reporting period, the company received no lawsuits or reports related to corruption, bribery, money laundering, or unfair competition.

3.4 Information Security and Privacy Protection

3.4.1 Systems and Frameworks

In compliance with the *Cybersecurity Law of the People's Republic of China* and other regulations, the Company has established the *Information Security Management System*, *Information Security Management Procedures*, and *Emergency Response Plans*. These documents regulate daily information security management and incident response.

An Information Security Leading Group has been formed, with dedicated personnel responsible for information security and the management of employee and customer data privacy. During the reporting period, the Company obtained ISO 27001 Information Security Management System certification, covering 100% of operating sites.



Junma Steel Cord obtained ISO 27001-2022 Information Security System Certification

3.4.2 Risk Identification, Assessment, and Response

The company has identified and categorized information security risks:



Based on this, the company implemented targeted protective measures.

 Vulnerability Auditing	<ul style="list-style-type: none"> Conduct regular inspections of user accounts, passwords, and software patches within the company's information systems, ensuring timely updates and upgrades. Eliminate the use of weak usernames and passwords.
 Protective Software Installation	<ul style="list-style-type: none"> Install antivirus software on every computer and perform regular virus scans. For computers with operating system vulnerabilities or improperly configured antivirus software, immediately disconnect them from the network. Any issues identified must be promptly reported and addressed.
 Employee Management and Training	<ul style="list-style-type: none"> Provide information security training to all employees who use computers in the company. Require employees in high-risk positions to sign a <i>Confidentiality Agreement</i> to ensure strict protection of customer information and privacy. Segment all network-connected computers by department using VLANs, managed by the Information Center. Assign dedicated personnel to maintain business-use computers, and strictly prohibit the cross-use of non-work storage media with business computers.

3.4.3 Data and Privacy Protection

When handling personal data from employees, customers, suppliers, and other stakeholders, we follow the "need-to-know" principle, applying tiered authorization and processing only with proper consent. Data is retained for no longer than 15 years, in accordance with national regulations and customer requirements.

3.4.4 Incident Response to Data Breaches

The company has developed an *Information Security Emergency Response Plan* and established a personal data breach response mechanism. In the event of a breach, an emergency team is immediately assembled to minimize the risk of unauthorized access or disclosure and to promptly notify affected stakeholders.

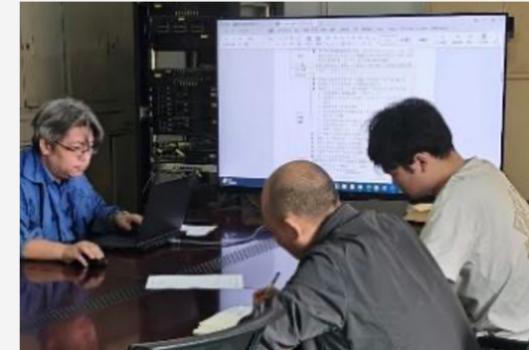
Hacker Attacks or Destructive Software System Attacks	<ul style="list-style-type: none"> • Ensure timely backups of critical software systems and store them in secure locations. • In the event of webpage defacement, hacking, or destructive software attacks (including severe viruses), immediately suspend system operations, restore system data, trace the source of the illegal activity, and, as instructed, report to senior management or the public security authorities.
Network Line Interruptions or Hardware Equipment Failures	<ul style="list-style-type: none"> • Activate backup network lines or standby equipment to continue operations. • Report the incident to the Information Security Leading Group, identify the cause of the failure, and promptly restore operations or contact the telecommunications maintenance department. • If both primary and backup lines are interrupted or equipment cannot be repaired promptly, all units shall temporarily suspend data uploads and reporting.
External Power Supply Interruptions	<ul style="list-style-type: none"> • Immediately switch to backup power and contact the power supply bureau; maintain normal power supply through UPS systems. • In the event of prolonged power outages, shut down all servers in an orderly manner under UPS support to ensure data security and prevent equipment damage.

We also consider climate-related or natural disaster scenarios (e.g., heavy rain, extreme heat) that could cause data loss, and have developed contingency procedures to prevent data damage or leakage.

3.4.5 Training and Drills

To enhance employee awareness and capability in information security, the company conducts semi-annual training sessions on data protection legal principles and internal procedures.

Information Security Training



We also conduct cybersecurity drills to improve organizational command and emergency response capabilities, ensuring the secure and smooth operation of information systems.

3.4.6 Third-Party Management

The company strictly regulates the selection of external servers, conducting due diligence on third-party information security qualifications, and prioritizing cooperation with providers holding MLPS Level 3, ISO 27001, or equivalent certifications.

3.4.7 Complaints and Reporting

To promptly identify and address risks, the Company encourages all stakeholders to report information security hazards or violations via mail, email, or telephone:

		
Mailing Address: Hedong Road, Chenghang, Yangshe Town, Zhangjiagang City	Email: hankouzh@163.com	Hotline: +86-512-58140915

In 2024, the company recorded zero data breaches, zero violations of customer privacy, and zero substantiated complaints regarding customer privacy infringement or data loss.

04

Employment



4.1 Occupational Health and Safety

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

Our Goals

Qualitative Indicators

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

Quantitative Indicators

Level 8+ Work-related Injuries
 Target: 0
 2024 Performance: 0

Major Work-related Injuries
 Target: ≤ 10
 2024 Performance: 11

Major Fire Accidents
 Target: 0
 2024 Performance: 0

Major Equipment Accidents¹
 Target: 0
 2024 Performance: 0

Occupational Diseases
 Target: 0
 2024 Performance: 0

Accident Hazard Rectification Rate
 Target: 100%
 2024 Performance: 100%

5S Inspection Compliance Rate
 Target: $\geq 80\%$
 2024 Performance: 97.9%

Special Positions Holding Certificate Rate
 Target: 100%
 2024 Performance: 100%

Occupational Hazard Physical Examination Rate
 Target: 100%
 2024 Performance: 100%

Triple Safety Education and Training Rate
 Target: 100%
 2024 Performance: 100%

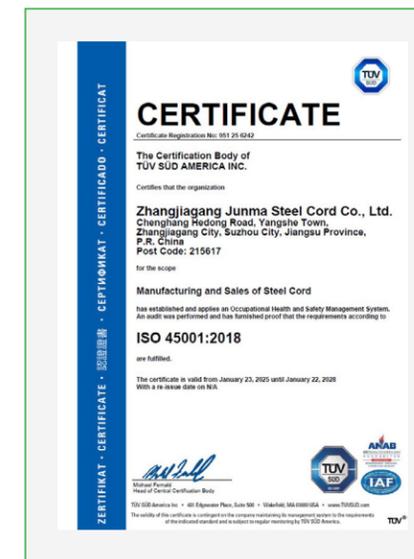
¹Major equipment accidents mainly include forklift trucks, elevators, high-voltage power distribution, and production equipment accidents.

4.1.1 Occupational Health Management System

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

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

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



Latest ISO 45001 Occupational Health and Safety Management System Certification

Key Performance Indicators

Workplaces Coverage by Employee Health and Safety Risk Assessments
100%

Recordable Injury Rate (per 1,000,000 work hours)
2.10

Lost Time Severe Incident Rate for direct labor
0

4.1.2 Health and Safety Risk Management

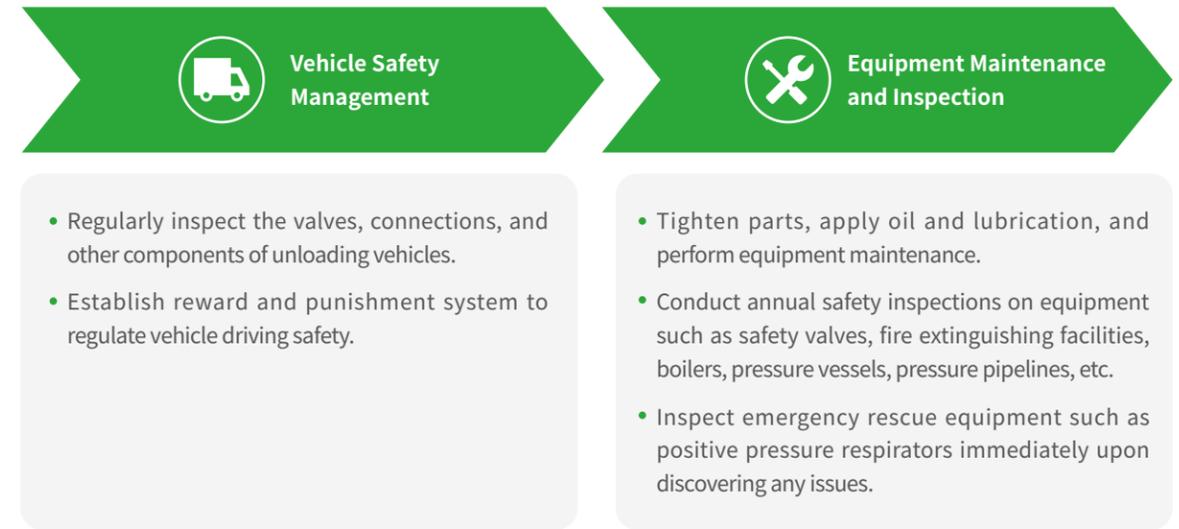
Relying on "JMIMS," which is our self-developed business platform, we regularly conduct safety hazard investigations in accordance with the hidden danger investigation and control system of our company. Focusing on potential hazards such as hazardous chemicals, fire management, and confined space operations,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

Risk Evaluation and Measurement

 Identification of Occupational Hazard Risk Sources	<ul style="list-style-type: none"> • Transportation and usage processes of raw materials and products • Facilities, equipment, vehicles, and protective facility in the workplace • Human factors, including violations of operational procedures and work safety regulations • Climate, earthquakes, and other natural disasters
 Risk Review and Rating	<ul style="list-style-type: none"> • Set annual safety objectives and conduct risk identification annually • Conduct business risk assessments during the planning phase of company safety standard establishment • Identify hazardous and harmful factors in the company's existing equipment, facilities, buildings, and their surrounding areas • Conduct hazard identification, special assessments, and risk control for dangerous work activities • Rate identified risks based on the LEC (Likelihood, Exposure, Consequence) method
 Risk Control and Mitigation	<ul style="list-style-type: none"> • Establish target indicators and management plans • Develop operational control procedures and work instructions • Formulate emergency response plans and contingency plans • Conduct training and education • Carry out supervision and inspections

Equipment Safety Management

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



Emergency Management

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

We actively conduct various emergency drills and ensure the distribution of emergency rescue equipment, devices, protective gear, tools, materials, and medicines, thereby enhancing employees' ability to respond to risks and prevent accidents. During the reporting period, a total of 17 emergency drills were conducted.



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

Hazardous Material Control

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

Prevention of Repetitive Strain Injuries

Focusing on leadership-led shifts and standardized procedures for hazardous operations, we have implemented safety precautions. Through the implementation of automated systems and equipment such as single-wire automatic loading and unloading, sorting and stacking system, mechanical arm automatic packaging line, and steel cord finished product collection RGV gantry robot, the company achieves production intelligence and automation, effectively reducing employees' manual labor intensity.

Preventing High-Altitude Falls Accidents

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

Noise Control

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

In 2024, we entrusted a third-party testing agency to conduct noise measurements within the factory premises in accordance with the *Measurement of Physical Agents in the Workplace - Part 8: Noise (GBZ/T 189.8-2007)*. The results were evaluated based on *Occupational Exposure Limits for Hazardous Agents in the Workplace - Part 2: Physical Agents (GBZ2.2-2007)*. We conducted tests at two separate locations distributed throughout the factory, and the results showed that all locations met the standard requirements.

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

4.1.3 Occupational Disease Prevention

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

Comprehensive occupational health and safety measures are implemented, including the distribution of safety helmets, protective gloves, protective clothing, earplugs, and other PPE based on job requirements. Occupational hazard notification cards are also provided to raise employees' awareness. During the reporting period, we invested RMB 2.62 million in occupational health and safety, covering employee health checkups, equipment upgrades, and PPE distribution.

No occupational diseases were reported among employees during the reporting period.

Reduction of Hand Strain

Monofilament Automatic Loading/Unloading, Sorting, Palletizing System



Mechanical Arm Automatic Conveying Packaging Line



Finished Product Wheel Collection RGV Truss Robot Equipment



 Equipment and Facility Utilization Management	<ul style="list-style-type: none"> • We manage equipment and facilities according to the principle of "Three Designations and One Certificate", which requires the designation of specific personnel, machines, and operation instructions for each equipment, and the operation of equipment must be based on an equipment operation certificate. • Regular supervision and inspections are conducted for equipment and facilities related to the prevention and control of occupational hazards. • We standardize the selection, usage, maintenance, repair, and upgrading of relevant facilities.
 Occupational Health Examinations	<ul style="list-style-type: none"> • Comprehensive pre-employment and on-the-job occupational health examinations are provided annually for all employees, targeting occupational health hazards such as noise, acid mist and anhydride, and other dusts.

 Operator Qualification Management	<ul style="list-style-type: none"> We ensure that operators of key equipment for the prevention and control of occupational hazards receive proper training Operation personnels should obtain equipment operation certificates before taking up positions.
 Provision of Labor Protection Equipment	<ul style="list-style-type: none"> We provide compliant protective equipment, including protective gloves, shoes, leg guards, aprons, glasses, heat-resistant clothing, and face shields.

4.1.4 Third-Party Management

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

Contractor and Supplier Safety Production Management

 Qualification Review	<ul style="list-style-type: none"> Safety management rules and regulations, operating procedures establishment Information on safety management organizations, primary responsible persons, and safety management personnel Safety performance records Development of safety plans Operating licenses for special operations personnel
 Safety Training	<ul style="list-style-type: none"> Conduct safety education and training before entering the site, which includes: characteristics of the work site, major hazards and emergency response measures, and safety precautions for entering the site. Training records should be properly maintained.
 On-site Safety Management	<ul style="list-style-type: none"> Contractors should provide facilities, equipment, and personal protective equipment that meet safety standards. Contractors must accept on-site safety inspections and supervision.

Highlights

Safety management agreements were signed with **64** external cooperation units.

No safety accidents occurred during external construction throughout 2024.

4.1.5 Complaints and Communication

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

JMIMS

Hazard Reporting

Employees can quickly report safety hazards via mobile devices.

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



Safety Snapshots, Rectification and Reporting

Upon receiving complaints or reports, relevant departments investigate and rectify issues.

Submit rectification status and photos, and provide timely feedback to employees.



Supervision and Tracking

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



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

4.1.6 Safety Culture Construction

Employee Training

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



Promotion of Safety Awareness

We have established occupational health bulletin boards, on which the enterprise's safety management network and annual safety management goals are publicly displayed. We have also organized a safety knowledge competition for employees, enriching their occupation health knowledge.



4.2 Career Management

Our Goals

Qualitative Indicators

- Reduce our employee turnover rate.

Quantitative Indicators

Percentage Of Employees Regularly Receiving Performance and Career Development Evaluations	Number of Specialized Employee Training Sessions
Goals: 100%	Goals: ≥ 15
Performance in 2024: 100%	Performance in 2024: 17

4.2.1 Career Development

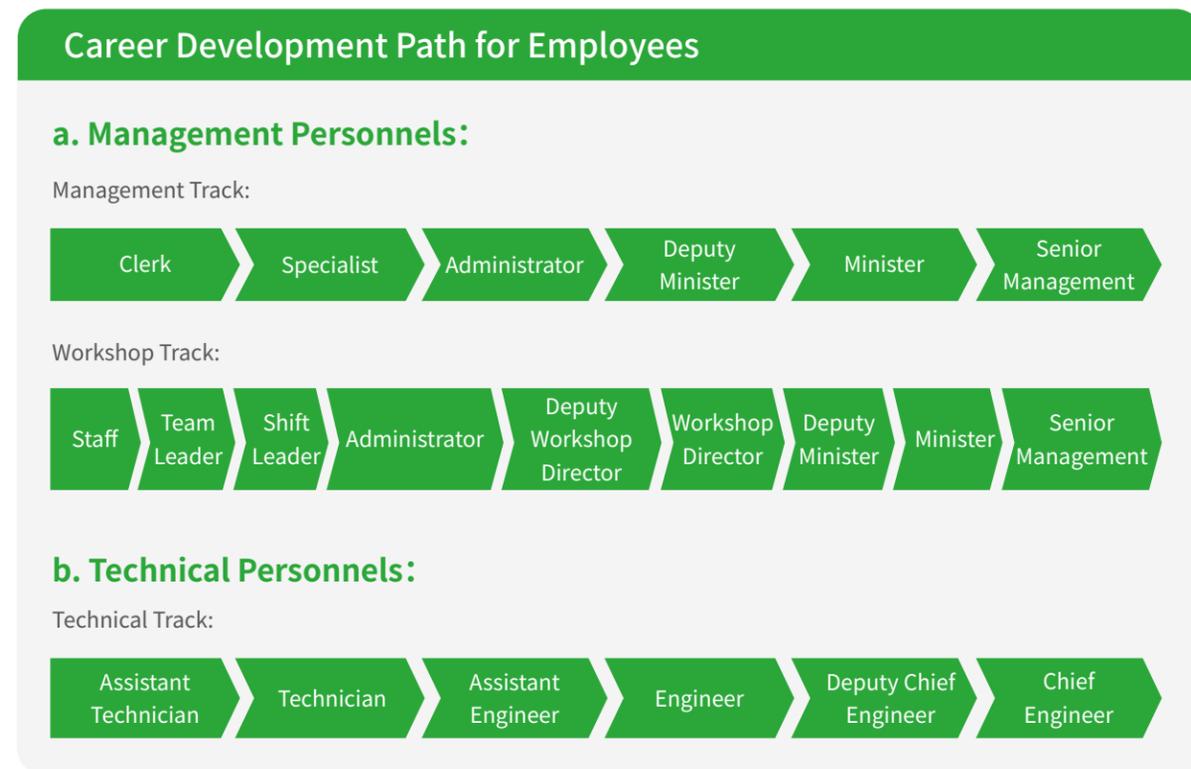
Transparent and Open Recruitment Process

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

Career Path Planning

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

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

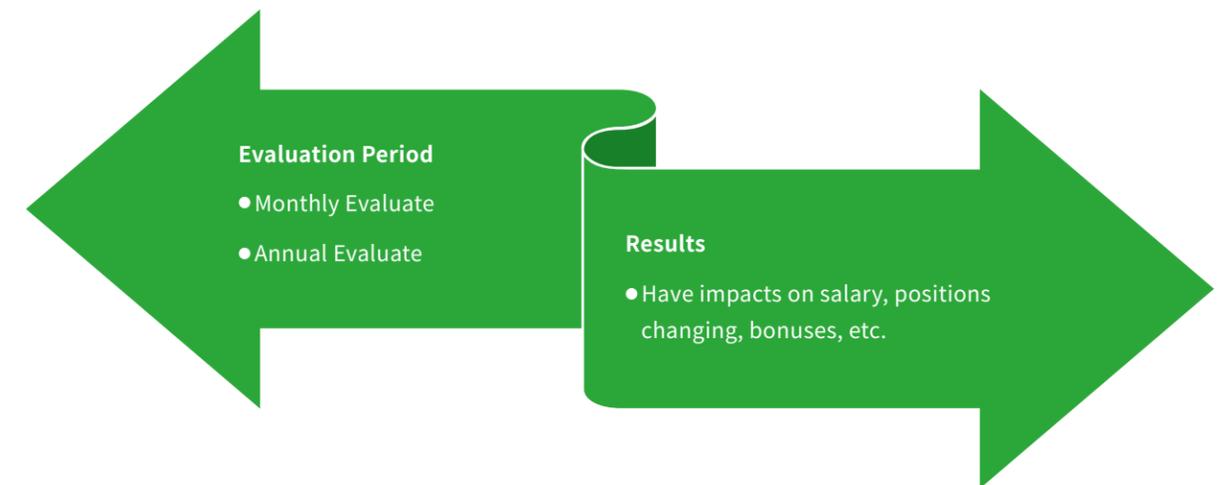


Career Development Mobility

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

4.2.2 Performance Evaluation

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



4.2.3 Employee Retention

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

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

4.2.4 Trainings

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

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

Employee Training System	
Categories	Contents
 <p>Internal Training</p>	<ul style="list-style-type: none"> • Job Skills Operational • Internal Instructor Skills • 6S Management • Company Rules And Regulations • Product Quality and Safety • Operation of Comprehensive Platform Developed by IMS • Quality System • Occupational Health System • Environmental Management System • Information Security Management System • Energy Management System • Emergency Disposal Training for Paint Storehouse Spillage and Leakage • Emergency Response Plan Training on Power and Water Disconnection
 <p>External Training</p>	<ul style="list-style-type: none"> • Vocational Skill Evaluation and Project-Based Training • Advanced Technical Training in Metal Material Drawing Processes and Techniques • The Anti-fraud Training Held by the Police Station

During the reporting period



Total Hours of Training:
53237



Employee Training Coverage:
100.00%



Average Training Hours per Male Employee:
22.43



Average Training Hours per Female Employee:
23.14

4.3 Employee Rights and Benefits

Our Goals

Qualitative Indicators

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

Quantitative Indicators

Employee Satisfaction

Goals: ≥ 87

Performance in 2024: 88.37

Medical Insurance Contribution Rate

Goals: 100%

Performance in 2024: 100%

Union and Collective Contract Coverage

Goals: 100%

Performance in 2024: 100%

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

4.3.1 Working Conditions

Wages

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

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

 Basic Salary	<ul style="list-style-type: none"> We annually conduct industry salary surveys and determine the salary level through equal consultations based on the company's economic growth, the government-issued wage guidelines, international wage indicators, and the average wage level of employees in the local region and industry.
 Bonus Incentives	<ul style="list-style-type: none"> Bonus incentives are awarded based on employees' performance evaluation results and daily performance. We also offer seniority pay, quarterly bonuses, safety bonuses, etc.

Working Hours Management

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

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

Welfare System

Basic Benefits	<ul style="list-style-type: none"> We provide all employees with welfare subsidies, medical insurance, unemployment insurance, pension insurance, work-related injury insurance, maternity insurance, paid leave, position allowances, housing provident fund, and other benefits. Labor protection equipment and related benefits are provided for employees according to their job position and type of work. We also offer meal subsidies, gifts for Chinese traditional festivals, longevity pay, congratulations/condolences gifts, work uniforms, etc.
Dormitories	<ul style="list-style-type: none"> We have invested hundreds of millions of yuan to build high-end apartments, which are served as dormitories for all employees, with rental rates significantly lower than market prices.
Family Friendly Program	<ul style="list-style-type: none"> We provide all employees with legal paid paternity leave and parental leave. <ul style="list-style-type: none"> Paternity Leave: Male employees are entitled to 15 days of paternity leave upon the birth of their wife's child. Parental Leave: Female employees are entitled to 1 hour of parental leave per day before their child's first birthday. We contribute to maternity insurance. Assigning tasks that are harmful to pregnant or lactating female employees, their fetuses, or infants is prohibited. We provide family dormitories to facilitate employees' work-life balance.
Flexible Work Arrangements	<ul style="list-style-type: none"> Compensatory time off has been arranged for employees who work overtime.

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

4.3.2 Compliant Employment

Our Goals

Qualitative Indicators

- Gradually increase the proportion of female employees in management positions.
- Narrow the pay gap between male and female employees and implement equal pay for equal work.

Quantitative Indicators

<p>Percentage of Employees Who Have Received Diversity, Anti-Discrimination, and Anti-Harassment Training</p> <p>Goals: 100% Performance in 2024: 100%</p>	<p>Percentage of Workplaces that Have Undergone Human Rights Audits or Human Rights Impact Assessments</p> <p>Goals: 100% Performance in 2024: 100%</p>
<p>Percentage of Employees Covered by Labor Human Rights Policies</p> <p>Goals: 100% Performance in 2024: 100%</p>	<p>Incidents of Child Labor or Forced Labor</p> <p>Goals: 0 times Performance in 2024: 0 times</p>
<p>Incidents of Discrimination or Harassment</p> <p>Goals: 0 times Performance in 2024: 0 times</p>	

Child Labor and Forced Labor

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

Our initiatives

Prohibit Employment of Child Labor

Risk Assessment

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

Applicants' Identity Verification

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

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

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

If a child laborer genuinely needs to attend school but faces difficulties, we will provide assist them to continue education.

Prohibit Forced Labor

Risk Assessment

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

Guarantee the Personal Freedom of All Employees

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

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

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

We have also developed systems to regulate the use of underage workers and special protection processes. During the reporting period, the company did not employ any underage workers.

Conduct Risk Assessments

Assignment of Appropriate Work Intensity

Prohibition of Night Shifts and Overtime

Prohibition of Hazardous or Unhealthy Environments

Equal Pay for Equal Work with Adult Workers

Regularly Conduct Health Check-ups

Key Performance Indicators

We regularly monitor and audit recruitment compliance. In 2024, the company recorded:

Incidents of Child Labor Employment: 0

Incidents of Forced Labor: 0

Coverage of Training Related to Child Labor Employment and Anti-forced Labor: 100%

Anti-Discrimination and Anti-Harassment

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

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

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

Diversity and Equal Opportunities

We are committed to providing equal employment opportunities for minorities and disadvantaged groups and have included special provisions for the protection of female employees in our collective agreements. It is ensured that male and female employees receive equal pay for equal work.

Key Performance Indicators

Total Number of Female Employees: 520

Proportion of Female Employees: 19.89%

Total Number of Female Employees in Management Positions: 2

Proportion of Female Employees in Management Positions: 3.45%

Employment of Persons with Disabilities

Equal Opportunities

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

Labor Protection

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



During the reporting period, we hold a total of 5 disabled employees, accounting for 0.19% of the total workforce.

Protection for Female Employees

Equity	<ul style="list-style-type: none"> We do not reject or change the recruitment requirements for women except for unsuitable job.
Protection During Special Periods	<ul style="list-style-type: none"> We ensure that female employees receive proper rest, leave, and benefits during pregnancy, childbirth, and lactation periods. It is prohibited to dismiss, reduce salaries or positions, or assign prohibited tasks to female employees due to their marriage, pregnancy, childbirth, or lactation. We treat female employees' contraceptive surgery leave, prenatal examinations during pregnancy, maternity leave, and breastfeeding time during lactation as normal work hours and pay their wages accordingly. For female employees who cannot adapt to their original work during pregnancy, we reduce their workload or arrange other suitable positions. We contribute to maternity insurance.
Female Employee Representatives	<ul style="list-style-type: none"> We make an effort to gradually increase the proportion of female representatives in staff representative conferences. We involve representatives from the Female Committee of the labor union in formulating and revising rules and regulations related to women's rights and interests, participating in equal negotiations, and the entire process of signing collective contracts.
Equal Pay for Equal Work	<ul style="list-style-type: none"> We ensure that female employees receive equal labor rights and benefits, implementing equal pay for equal work. We closely monitor and analyze the salary gap between male and female employees to provide reasonable compensation. During the reporting period, the unadjusted salary gap between male and female employees was 18.75%, mainly due to differences in job types and positions. We will conduct internal job transfers and salary adjustments based on employees' wishes and professional abilities.
Health and Safety Assurance	<ul style="list-style-type: none"> We arrange at least one annual gynecological examination for female employees and cover the associated costs and time. We provide monthly hygiene products or allowances.

Furthermore, to enhance female employees' sense of belonging and provide career development support, the company annually offers gynecological check-ups for female employees at middle-level positions and above. Medical experts are invited to deliver lectures on women's health topics such as menstrual care and menopause health management. In April each year, the company organizes regular female skills enhancement competitions, encouraging all female employees to learn from advanced role models through "comparison, learning, catching up, and surpassing," thereby further improving themselves.

The Female Skills Enhancement Competition in 2024



Employee Information Confidentiality

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

4.3.3 Communication

Our Goals

Labor Union Coverage

Goals: 100%

Performance in 2024: 100%

Collective Contract Coverage

Goals: 100%

Performance in 2024: 100%

Percentage of Employees Represented by Staff Representatives

Goals: 100%

Performance in 2024: 100%

Two-Way Communication System

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

Labor Union	<ul style="list-style-type: none"> Respect employees' rights to freely join or quit labor unions.
Collective Contract	<ul style="list-style-type: none"> Reach written agreements on matters such as health and safety, labor remuneration, working hours, rest and vacation, vocational training, insurance and welfare, gender equality, etc.
Workers' Congress	<ul style="list-style-type: none"> The Workers' Congress is responsible for democratic decision-making, management, and supervision. Regularly organize worker representatives to participate in the Workers' Congress. Strictly prohibit retaliation against worker representatives.
Mediation Committee	<ul style="list-style-type: none"> Mediating employee disputes on a voluntary and equal basis.
Employee Interviews	<ul style="list-style-type: none"> Conduct conversations with employees regarding workplace, colleague relationships, career development, etc., collect feedback from employees, and implement targeted improvements.
Satisfaction Surveys	<ul style="list-style-type: none"> Conduct satisfaction surveys twice a year to gauge employees' satisfaction with corporate management, corporate culture, compensation and benefits, work conditions, performance evaluation, personal development, etc. Analyze the results and make targeted improvements, such as issuing birthday vouchers, arranging schooling for employees' children, providing family dormitories, optimizing the salary appraisal system, etc.

During the reporting period, the overall employee satisfaction score was 88.37%.

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



Junma Communications

Grievance and Whistleblower Protection

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

Reporting Channels

Suggestion boxes are set up in prominent locations.

Labor union, Management Department, and general manager's office.

SMS, WeChat, email, or phone contact with relevant department.

By face-to-face reporting.

Reporting Email:
hankouzh@163.com

Reporting Hotline:
0512-58140915

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

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

4.3.4 Employee Team Building

The company irregularly holds various activities to relieve the work pressure of its employees and create a positive, upward, united and enterprising corporate culture atmosphere for the company.



Sports Meeting



Lantern Festival Activities



Knowledge Competition



Corporate Culture Knowledge Contest



Lecturer Competition Activity

05

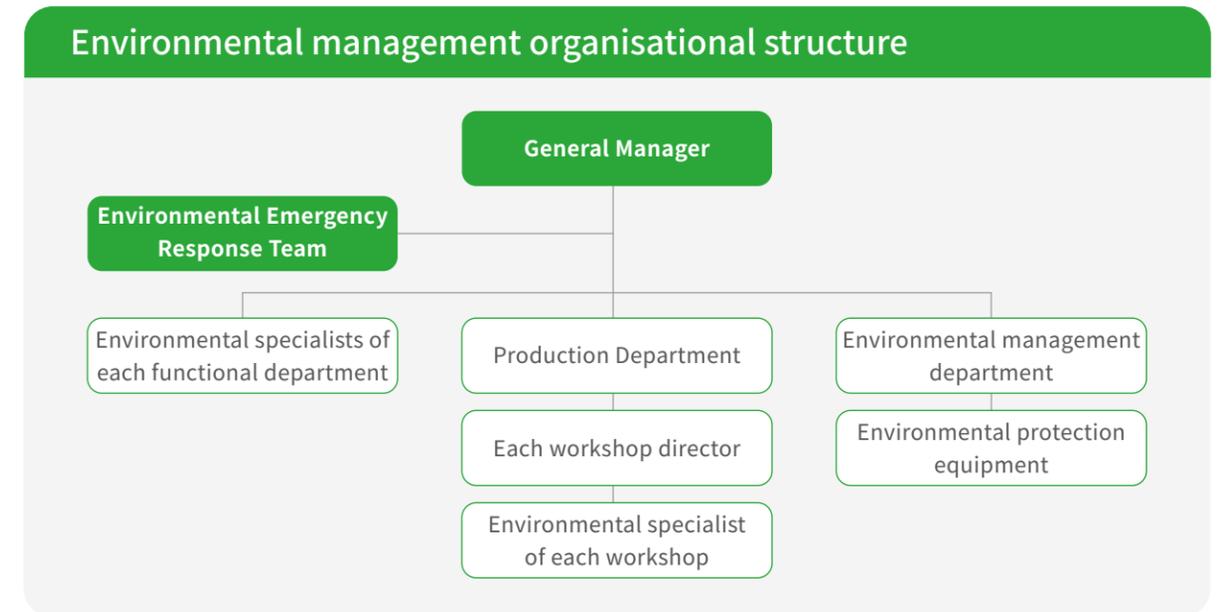
Protecting Green Planet



Junma Steel Cord effectively fulfils its environmental responsibility, and carries the green operation concept through product design, production and operation, logistics and transportation and other stages, continuously improves management, optimizes design and process, comprehensively utilizes energy and resources, cuts down pollution at source, reduces or avoids negative impacts on human health and the environment throughout the whole life cycle of the products, and endeavours to build a green and environmentally friendly industrial structure, and practices low-carbon sustainable development of the environment strategy.

We build an environmental target management system covering all employees and partners, and according to the overall situation of the target, we formulate corresponding action targets and action plans to ensure the feasibility of the target. In order to realise the responsibility system of environmental protection, we implement the responsibility index and make clear the principle of "whoever is in charge, whoever is responsible; whoever is in charge, whoever is responsible. In order to achieve the environmental protection responsibility system, we implement the responsibility indicators and make it clear that "whoever is in charge, whoever is responsible; whoever is in charge, whoever is responsible".

Our Goals				
Type of objective	Indicator	Unit	Target	Achievement of targets for 2024
Environmental Compliance	Completion rate of legal disposal of hazardous waste	%	100%	100%
	Number of acid/alkali spills	Number	0	0
	Number of other pollution incidents	Number	0	0
	Number of fire incidents	Number	0	0
	Number of important environmental safety incidents	Number	0	0
	Qualified rate of treated sewage discharge	%	100%	100%
	Qualified rate of rainwater gutter discharge water quality	%	100%	100%
	Acid mist tower exhaust qualification rate	%	100%	100%
	Qualified rate of heating furnace exhaust	%	100%	100%
	Sewage treatment reuse rate	%	70%	67.73%
Energy Management	Steam consumption per unit of product	Tonnes/tonne of product	0.25	0.23
	Electricity consumption per unit of product	kWh/tonne of product	1894.67	2037.63
	Natural gas consumption per unit of product	Cubic metres/tonne of product	47.59	49.05



5.1 Environmental Management

5.1.1 Environmental Management System

Junma steel cord strictly abide by the "People's Republic of China Environmental Protection Law" "People's Republic of China Cleaner Production Promotion Law" and other relevant laws and regulations, and according to the relevant requirements to actively develop the "Environmental Protection Management Handbook" and other internal management systems, adhering to the "implementation of comprehensive pollution control, promote cleaner production, to create a green Junma, to build a harmonious enterprise". We adhere to the environmental protection policy of "implementing comprehensive pollution control, promoting clean production, building a green stallion and constructing a harmonious enterprise", commit to respecting the land rights of the people in the areas where our business operations are located, practice various environmental protection initiatives, firmly establish environmental awareness, carry out in-depth environmental protection publicity and education, advocate the concept of scientific development, strengthen the construction of corporate culture, gradually form a perfect environmental management system, effectively shoulder the social responsibility of environmental protection, and promote the sustainable development of the society, the economy and the environment.

environmental management objectives	corresponding systems
<p>Normal operation rate of environmental protection equipment reached 98%</p>	<ul style="list-style-type: none"> • Before the equipment is put into operation, it shall be accepted in accordance with the relevant regulations and procedures for the completion and acceptance of environmental protection equipment, and shall be put into operation only after it is accepted and qualified; • The workshop to which the equipment belongs needs to formulate relevant indexes for the management and operation of the production equipment to ensure that the environmental protection equipment is put into operation at the same time with the production equipment; • During the operation of environmental protection equipment, the process parameters must be strictly controlled, the discipline and operating procedures and other rules and regulations must be serious and included in the assessment; • Each workshop should establish a detailed account of the operation and maintenance of environmental protection equipment and report it to the environmental management department; • The environmental protection equipment shall not be stopped at will, and if it needs to be stopped for planned maintenance, it should be reported and approved.

Our environmental management objectives and corresponding systems

environmental management objectives	corresponding systems
<p>Integrated solid waste disposal rate of 100%</p> <p>Noise and pollutants in the factory area 100% meet the emission standards²</p> <p>Wastewater recycling and discharge</p> <p>0 serious environmental pollution accidents</p>	<ul style="list-style-type: none"> Strengthen the technical management of existing production and environmental protection equipment, maximise the use of resources and continuously reduce or eliminate pollutants; Environmental protection equipment must be put into operation at the first time during the production process, and the security department establishes a regular and irregular inspection system; The environmental management department is responsible for the technical transformation programme of the environmental protection equipment, and submit it to the company leaders for approval and implementation; Each workshop is responsible for the jurisdiction of wastewater, waste gas, waste residue and other pollutants to take effective measures to deal with, to ensure legal compliance control; Each workshop strengthens the operation and management of environmental protection equipment and insists on inspection tours; Carry out the environmental monitoring system and form the document of "Process Monitoring and Measurement Control Procedures"; Implement the environmental protection training and education management system, and improve the awareness of all employees on environmental protection work; Establish a perfect environmental pollution emergency response system, prepare and implement the <i>Emergency Response Plan for Environmental Accidents Zhangjiagang Junma Steel Cord Co., Ltd.</i>

As at the end of the reporting period, Junma Steel Cord has obtained ISO 14001:2015 environmental management system certification.



ISO 14001:2015 Environmental Management System Certification

² Pollutants include water, gas, sound and sludge.

During the reporting period, the Company paid environmental protection taxes and fees in full and on time in accordance with the Environmental Protection Tax Law of the People's Republic of China, and there were no unexpected environmental risk incidents, no environmental violations and no relevant administrative penalties imposed by the competent authorities.

5.1.2 Environmental Mmergency Management

In order to strengthen our ability to respond to environmental emergencies and establish a sound emergency response mechanism for environmental emergencies, we have developed a comprehensive environmental monitoring and risk factor identification mechanism. We prepare "Emergency Response Plan for Environmental Emergencies", "Emergency Response Plan for Sulfuric Acid and Other Leaks" and "Emergency Response Plan for Natural Gas Leaks" in accordance with the "National Emergency Response Plan for Environmental Emergencies", "Guidelines for the Preparation of Emergency Response Plans for Environmental Emergencies in Enterprises, Institutions and Industrial Parks" and other relevant laws, and in conjunction with the actual situation of the company, in order to standardise and guide the emergency response and rescue actions in case of environmental emergencies. At the same time, we regularly organise internal publicity and training, as well as annual emergency drills and reviews, to continuously improve the environmental emergency awareness of our employees.

5.2 Emissions and Waste Management

Our Goals

Indicator	Unit	Target	Achievement of targets for 2024
Completion rate of legal disposal of hazardous waste	%	100%	100%
Number of acid/alkali spills	times	0	0
Number of other pollution incidents	times	0	0
Number of fire incidents	times	0	0
Number of important environmental safety incidents	%	0	0
Qualified rate of treated sewage discharge	%	100%	100%
Qualified rate of rainwater gutter discharge water quality	%	100%	100%
Acid mist tower exhaust qualification rate	%	100%	100%
Heating furnace combustion exhaust gas qualification rate	%	100%	100%
Sewage treatment reuse rate	%	70%	67.73%

The company always follows the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution and the corresponding environmental protection standards and other relevant laws and regulations, and carries out strict management of the environmental management work, and strictly controls the production and operation of the process of waste gas, wastewater, solid waste and noise, to ensure that the emission is in line with the provisions of the regulations. The company strictly manages the environmental management. The company has formulated a self-monitoring plan in accordance with the requirements of the Emission Permit and the corresponding laws, regulations and standards, and carries out regular self-monitoring in accordance with the plan, which is promptly released on an open platform for review by the public and relevant authorities. During the reporting period, our pollutant release levels and their total quantities did not exceed the national emission caps, ensuring that both the concentration and total quantity of pollutant emissions met the statutory standards.

Emission and Waste Management Requirements and Disposal	
Wastewater	<ul style="list-style-type: none"> Discharge type: production wastewater (washing and quenching wastewater, acid mist treatment tail water (technical Reform project), flushing wastewater, waste tank rinsing wastewater, phosphoric acid washing waste tank pretreatment wastewater, emulsion pretreatment wastewater, deep purification device tail liquid, etc.) and domestic wastewater; Treatment: production wastewater is collected and discharged to the sewage treatment station in the plant after centralised treatment to meet the standard; domestic wastewater is taken over to the group company's total domestic wastewater collection pool; Testing indicators: chemical oxygen demand, suspended solids, ammonia nitrogen, pH value, total phosphorus, total nitrogen, total copper, total zinc, total iron, total aluminium, petroleum, BOD₅; Pollution Prevention and Control Measures: Production wastewater is recycled through the use of pre-treatment + metal tube separator + nanofiltration membrane + concentration device, direct injection of alkali, pre-treatment + nanofiltration membrane process, and tank-side filtration of waste tank liquid to ensure that it meets the standards; at the same time, it implements rainwater and sewage diversion, and installs on-line monitoring devices at rainwater and wastewater discharge outlets.
Waste Gas	<ul style="list-style-type: none"> Emission types: pickling exhaust gas, sludge drying exhaust gas, natural gas combustion exhaust gas, unorganised exhaust gas; Treatment: pickling exhaust gas and acid tank area exhaust gas are collected uniformly and discharged to the standard after treatment by the plant's exhaust gas treatment facilities; natural gas combustion exhaust gas is discharged directly; Detection indicators: organised particulate matter, sulphur dioxide, nitrogen oxides, hydrochloric acid mist, sulphuric acid mist; Pollution prevention and control measures: through the sludge drying spray exhaust tower, acid washing tanks set up tank cover, set up acid mist emission interface on the tank cover will produce hydrogen chloride exhaust gas into the acid mist washing system, hydrochloric acid storage tanks set up capture cover will hydrogen chloride exhaust gas into the acid mist washing system and other facilities after treatment to meet the standard emission.
Solid Waste Hazardous Waste	<ul style="list-style-type: none"> Type of emission: copper sludge, waste sulfuric acid, waste hydrochloric acid, waste phosphoric acid, heavy oil, electroplating sludge, waste film, waste emulsion, laboratory residue and packaging; Treatment: entrust qualified disposal units to carry out harmless treatment; Pollution prevention and control measures: establish hazardous waste storage room, use epoxy layer anticorrosion on the floor of the storage yard to effectively prevent hazardous waste from leaking to the soil, and set up hazardous waste signboards in line with environmental regulations.

Emission and Waste Management Requirements and Disposal	
Solid Waste General Solid Waste	<ul style="list-style-type: none"> Type of emission: waste iron filings, waste drawing powder, waste steel wire, waste plastics, domestic waste; Disposal: domestic waste is removed by the sanitation department, waste drawing powder is outsourced, and other general solid wastes except waste drawing powder are sold out; Pollution prevention and control measures: sorting and collection of waste, safe storage.
Plant noise	<ul style="list-style-type: none"> Emission type: Noise generated by the operation of drawing machine, combining machine, air compressor selecting screw compressor, fan, air-conditioner and other equipment; Pollution Prevention and Control Measures: Adopting prevention and control measures such as vibration reduction, muffling, building sound insulation, distance attenuation, etc. to ensure that the factory boundary meets the emission standards.

5.2.1 Treatment of Exhaust Gases

In terms of waste gas management, the Company strictly follows the provisions of the Law of the People's Republic of China on Prevention and Control of Air Pollution, and in accordance with the explicit requirements of the emission permit, strictly regulates and controls the generation of waste gas and its emission in accordance with the Emission Standards for Air Pollutants from Industrial Kilns (DB 32/3728-2020), Comprehensive Emission Standards for Air Pollutants (DB 32/4041-2021) and Emission Standards for Odorous Pollutants (GB 14554 -93), the waste gas generated and its emission are strictly regulated and controlled.

Indicator	Unit	2022	2023	2024
Total Exhaust Emissions	10,000 cubic metres	68,542.83	63,848.94	67,959.42
Particulate Matter Emissions	kg	1,955.73	2,192.43	2,497.17
Sulphur Dioxide Emissions	kg	0.00	1.08	0.00
Nitrogen Oxide Emissions	kg	8,076.39	7,295.16	7,789.32
Sulphuric Acid Mist Emissions	kg	27.30	24.84	47.43
Hydrochloric Acid Mist Emissions	kg	868.77	411.72	415.38

Implementation Measures to Reduce Wastewater Emissions in 2024

In 2024, the company will adjust 2 pretreatment pickling tanks in workshop 301 to 4 belt sanders for descaling, and no longer use hydrochloric acid washing, which can reduce hydrogen chloride emission by 0.18t/a, and the emission of DA010 exhaust tube will be changed. At the same time, the 11 pretreatment pickling tanks in workshop 401 of phase III are adjusted to 22 belt sanding machines for descaling, and hydrochloric acid washing is no longer used, which can reduce hydrogen chloride emissions by 1.356t/a, and cancellation of DA013~DA016 exhaust. According to the analysis and calculation, through the project transformation relying on the existing exhaust gas treatment device and exhaust discharge, exhaust gas "new with the old" to achieve the reduction of emissions.

5.2.2 Wastewater Management

In terms of wastewater management, we control in accordance with the "Emission Limits of Major Water Pollutants from Urban Wastewater Treatment Plants and Key Industrial Industries in Taihu Lake Region" (DB 32/1072-2018), "Electroplating Pollutant Emission Standards" (GB 21900-2008), and "Comprehensive Wastewater Emission Standards" (GB 8978-1996).

Waste emulsion recycling

We started to design the recycling programme for waste emulsion in the second half of 2023, and completed the installation of all facilities and put them into production in the first half of 2024, achieving all internal recycling treatment of emulsion effluent with no external discharge.

Our waste emulsion treatment system consists of a waste emulsion collection tank, pre-treatment membrane device (2 sets of separation membranes + 2 sets of concentration membranes), re-concentration device (heat pump low-temperature evaporation equipment + steam low-temperature evaporation scraper crystallisation equipment), clean water grease trap system, wastewater purification and reuse membrane equipment, and purified water collection and use system (cooling tower).

We pre-treatment membrane concentration of discharged wastewater, the filtrate produced by the pre-treatment membrane and membrane rinse water discharged into the waste emulsion treatment of clean water integrated collection tank, the resulting concentrate into the evaporation system of the heat pump low-temperature evaporation equipment for pre-concentration, and then into the steam low-temperature evaporation scraper crystallisation equipment for re-concentration. In this process:

- The hot gas is cooled to condensate, and the condensate from the evaporator is separated from oil by the grease trap system, and then enters the waste emulsion treatment clear water comprehensive collection pool, and is transported to the waste water purification and reuse membrane equipment for reuse according to the liquid level of the waste emulsion treatment clear water comprehensive collection pool.
- The filtrate generated is discharged to the purification membrane outlet tank of water production workshop and transported to the designated cooling water tower.
- Concentrate generated is discharged to the waste emulsion collection pool for recycling and treatment.
- Cooling water tower discharge water is discharged to the waste emulsion collection pool.
- Concentrate generated from low temperature evaporation system is treated as hazardous waste - heavy oil HW08 and entrusted to qualified units for disposal.
- Low-temperature evaporation system (temperature $\leq 55^{\circ}\text{C}$), no external exhaust gas generation.
- The noise of each equipment of the system meets the requirements of industrial noise prevention.

Water Reuse

Jiangsu Junma Group sewage plant tail water reuse project using Zhangjiagang City, the first sewage treatment plant discharge tail water, using "ultrafiltration + reverse osmosis" based regeneration treatment process, after purification and treatment to meet the production requirements of the tail water, reuse to the Junma Tyre Cord, Junma Polyester Fibre and Junma Steel Cord. Annual use of Zhangjiagang City, the first sewage plant discharge tail water 7.5 million cubic metres, saving 5.5 million cubic metres of water resources, reducing water pollutant emissions 250 tons, of which 128 tons of chemical oxygen demand, biochemical oxygen demand of 20 tons, ammonia nitrogen 2 tons, 2 tons of total phosphorus, total nitrogen 103 tonnes, resulting in a water-saving benefit of 3 million yuan for the Taihu Lake Basin sewage treatment and regeneration, reducing pressure on the water environment to play a demonstration of the leading role, to achieve economic benefits, social benefits, and the role of the recycling process, to achieve economic benefits, social benefits. It has realised the unity of economic, social and environmental benefits.

Indicator	Unit	2022	2023	2024 ³
Domestic wastewater discharge	m ³	216,900.00	484,151.00	341,672.00
Production wastewater discharge	m ³	451,794.00	700,686.00	684,874.00
Chemical Oxygen Demand (COD)	tonnes	9.03	9.24	7.30
Total Copper	kg	0.70	0.00	0.00
Total Zinc	kg	1.61	0.00	0.00
Total Nitrogen	tonnes	3.59	6.56	6.35
Ammonia	kg	36.94	34.00	120.47
Total phosphorus	kg	68.34	22.00	106.25

5.2.3 Solid Waste Management

For the solid waste we generate on a daily basis, we reduce the amount of raw materials and packaging materials used by upgrading our equipment and improving our processes, thereby reducing the generation of waste at the initial stage. In addition, we implement segregated collection of waste to identify and segregate those wastes with potential reuse value so that they can be recycled or sold to other businesses that can utilise these resources.

With regard to hazardous wastes, we adhere to the principle of "centralised collection, orderly storage, centralised treatment and elimination of risks", and entrust professional organisations with the necessary qualifications to be responsible for the safe transport and treatment of these hazardous wastes. The aim is to achieve the reduction, resource recovery and harmless treatment of hazardous wastes. We have established specialised waste storage facilities in accordance with the requirements of the Pollution Control Standards for Storage and Landfill of General Industrial Solid Wastes (GB 18599-2020) and the Pollution Control Standards for Storage of Hazardous Wastes (GB 18597-2023). These storage facilities are equipped with facilities to prevent corrosion and leakage to ensure environmental safety. At the same time, we have established the Hazardous Waste Management System, which requires detailed recording and management of data from all treatment processes.



Hazardous waste warehouse



General industrial solid waste warehouse

³ 2024 Re-define and recalculate discharge as required for water balance calculations.

Indicator		Unit	2022	2023	2024
General industrial solid waste generation/transfer	Scrap Iron (Chip)	tonnes	1,694.89	1,576.99	797.41 ⁴
	Waste wire drawing powder	tonnes	236.00	296.60	422.10
	Waste steel wire	tonnes	2,563.84	3,767.72	5,649.45
	Waste Packaging Box	tonnes	780.66	1,148.24	754.92
	Waste Plastic	tonnes	183.34	113.30	213.52
Hazardous waste generation/transfer	Copper sludge	tonnes	247.48	271.90	440.05 ⁵
	Waste Sulphuric Acid	tonnes	3,878.78	4,297.20	4,288.54
	Waste hydrochloric acid	tonnes	6,103.30	7,351.90	6,069.38
	Waste phosphoric acid	tonnes	4,263.93	4,469.46	4,376.76
	Heavy oil	tonnes	674.41	709.00	527.56
	Electroplating sludge	tonnes	1,896.01	1,958.40	1,633.00
	Waste membrane	tonnes	0.00	0.00	0.18
	Waste emulsion	tonnes	16,152.82	18,997.20	16,984.00
Laboratory residue and packaging	tonnes	64.06	119.70	117.62	

5.2.4 Noise Management

Junma Steel Cord identifies, targets, manages, prevents and controls noise sources in the plant in accordance with the Environmental Noise Emission Standards for Industrial Enterprises at Plant Boundaries (GB 12348-2008). We promise that all operating operations will not have any health or safety impact on the surrounding environment and residents. We regularly maintain our production facilities and related equipment, and prioritise the use of low-noise or no-noise equipment, so as to reduce the generation of noise at source. In addition, we have implemented a ban on vehicle honking within the plant, and minimised noise emissions through vibration damping, noise elimination, building sound insulation and distance attenuation, thereby providing a quieter working and living environment for our employees and residents of the neighbouring communities.

⁴ 2024 Cooperation with third-party companies for recycling ferrous scrap, so the figures are significantly lower.

⁵ Contains previously untreated waste copper plating solution.

5.3 Resource Management

Our Goals

Indicator	Unit	Targets for 2030	Achievement of targets for 2024
Steam consumption per unit of product	Tonnes/tonne of product	0.25	0.23
Electricity consumption per unit of product	kWh/tonne of product	1894.67	2037.63
Natural gas consumption per unit of product	Cubic metres/tonne of product	47.59	49.05

5.3.1 Material Management

The company endeavours to reduce the loss of materials in the production process and to increase the efficiency of their utilisation. To this end, we continue to explore possible ways to recycle and reuse resources. We are actively exploring the recycling of raw and auxiliary materials, and have achieved the initial recycling of coil packing skins between us and our partners. 2024 we achieved the full recycling of desiccant and iron pallets, recycled 106,554 I-beam wheels, with a recycling rate of 98.41%; 922,140 spacers, with a recycling rate of 91.66%; 97.22% pieces of plastic pallets, with a recycling rate of 97.22%; wood pallets reused 56,497 pieces, recycling rate 96.70%; finished cartons recycled 135,942 pieces, recycling rate 28.40%. In the future, we plan to combine the existing recycling experience and expand resource saving to more raw and auxiliary materials.

Recycling of packaging skins on discs



5.3.2 Energy Management

We have actively established and improved our energy management system and formulated a series of management documents including the Energy Production Management System. We continue to promote the development of energy management in the direction of intelligence and digitisation, and promote the transformation of our energy management to low-carbon through the implementation of an intelligent energy management system. Every year, we set specific targets for energy usage. In the course of our production and operation, the main energy sources we rely on include electricity, thermal steam, natural gas and diesel. During the reporting period, the company has successfully passed the certification of ISO 50001 Energy Management System.



ISO 50001 Energy Management System Certification

Indicator	Unit	2022	2023	2024
Total electricity consumption (including photovoltaic power generation)	Million kWh	51,923.04	60,222.89	59,808.73
Solar photovoltaic power generation ⁶	Million kWh	214.34	3,631.59	3,521.38
Electricity consumption per unit of production	kWh/tonne	2,085.00	2,040.06	2,037.63
Electricity consumption per unit area	kWh/m ²	720.33	836.42	838.44
Natural gas consumption	m ³	11,317,767.00	13,577,339.00	14,398,245.00
Natural gas consumption per 10,000 Yuan of revenue	m ³ /10,000 Yuan of revenue	52.33	51.95	53.80
Natural gas consumption per unit area	m ³ /m ²	15.72	20.94	20.18
Total Steam Consumption	tonne	77,915.00	81,275.00	67,382.00
Diesel consumption	litre	165,752.00	188,113.80	138,260.00
Total photovoltaic/electricity consumption	%	0.41	6.03	5.89

5.3.3 Water Resources Management

The company strictly follows the Water Law of the People's Republic of China and other relevant laws and regulations in its production activities, and deeply understands the key role of water resources for sustainable development. Based on this, we have established a comprehensive and efficient water resource management framework and formulated a series of management policies, including the Water Use Management System and the Plant Water Resource Management Regulations.

The company regularly evaluates the water consumption practices in the plant and implements targeted water conservation measures accordingly. At the same time, a specialised department, the Utilities Department, keeps regular statistics on the water consumption of the various workshops and equipment in the plant, and is responsible for guiding and supervising the effective implementation of water conservation measures. In the past few years, according to the actual needs of production, the company has actively adopted a number of water-saving technology improvement measures, such as the production of mid-water RO water to replace the front-channel workshop tap water pure water.

Water Reuse Retrofit to Improve Water Resource Utilisation

In 2024, the company carried out the renewal and reconstruction of water ultrafiltration equipment, replaced the new ultrafiltration membrane, the ultrafiltration water production rate has been improved, and improved the utilisation rate of water resources; at the same time, the membrane replacement of water RO water has been carried out, and the quality of effluent water has been improved; moreover, the raw water intake point of water has been reconstructed, and MBR membrane effluent from a sewage treatment plant is preferred to be introduced into the company for water reuse, and the quality of water has been greatly improved compared with that of the original oxidation ditch drainage water intake point. The water quality has been greatly improved compared with the original oxidation ditch drainage intake point. Through the implementation of water reuse related improvements, the company's tap water consumption has decreased significantly, with a monthly average of more than 1,900 cubic metres less tap water consumption.



⁶ The company's PV power projects started to come on line extensively at the end of 2022, resulting in significantly higher PV power consumption figures in 2023.

Energy Saving Retrofit

During the reporting period, the Company piloted the transformation of waste heat steam production in austenitic furnaces in some workshops as well as the transformation of steam automatic control pressure reducing valves, and the tonnage consumption of semi-finished products decreased from 0.20 tonnes/tonne in 2023 to 0.18 tonnes/tonne, saving steam of about 9,000 tonnes and reducing the output value by more than one million.



Indicator	Unit	2022	2023	2024 ⁷
Total water intake ⁸	tonnes	228,860.00	148,896.00	2,508,128.50
Water consumption per unit of production	Tonnes/tonne	0.92	0.504	2.28
Water reuse volume	Cubic metres	1,786,506.00	2,166,162.00	1,047,170.00
Water recycling utilisation rate (utilisation rate of water reuse)	%	78.18	73.97	76.03

5.4 Management of Greenhouse Gas Emissions

With reference to the requirements of the GHG Protocol and ISO 16064-1:2018, Junma Steel Cord regularly carries out company-wide greenhouse gas accounting and commissions a third-party organisation to carry out independent verification of the accounting results.

The company has completed the GHG accounting and verification for the year 2024, and we have analysed and summarized the emission trends and reasons for changes based on the accounting results, so as to summarize and provide directions for the next step of GHG emission management in a timely manner.

Organisation of greenhouse gas emissions				
Indicator	Unit	2022	2023	2024 ⁹
Total greenhouse gas emissions	tCO ₂ e	943,069.43	1,133,797.32	1,006,054.90
Scope 1 greenhouse gas emissions	tCO ₂ e	25,838.58	30,078.10	32,142.24
Scope 2 greenhouse gas emissions	tCO ₂ e	323,476.25	379,347.79	357,794.56
Scope 3 GHG emissions	tCO ₂ e	593,754.60	724,371.42	616,118.09
GHG emissions per unit of product	tCO ₂ e/ton	3.79	3.84	3.43

⁷ Redefinition and replacement of the calculation methodology for water withdrawal and consumption in accordance with the requirements of the water balance calculation in 2024, and inclusion of the energy consumption of the accommodation areas in the statistics.

⁸ Total water intake = tap water + steam + purchased water + new dormitories.

⁹ 2024 data from initial audit reports issued by qualified third-party auditing organisations, verification data from unofficial certificates.

5.5 Responding to Climate Change

Controlling greenhouse gas emissions and climate warming has become a global consensus, and following the objectives and principles of the United Nations Framework Treaty on Climate Change and the Paris Agreement, responding to the energy revolution of replacing fossil energy with new energy sources, and exploring the establishment of a new mechanism for global climate governance will require the joint efforts of all the villagers of the Earth.

As a responsible corporate citizen, Junma Steel Cord actively responds to the national goal of "Carbon Peak and Carbon Neutrality", and takes the effective management of greenhouse gas emissions and active response to climate change as one of the key tasks in our daily operation. We incorporate climate change management into the scope of our business decision-making and disclose our climate-related risk management and response in the four areas of governance, strategy, risk management, and indicators and targets, taking into account the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) set up by the Financial Stability Board (FSB).

5.5.1 Governance

Junma Steel Cord has established a management structure with clear responsibilities to respond to climate change. The Sustainable Development Team focuses on the field of climate change and is responsible for researching carbon neutral policies, trends and industry dynamics, coordinating the formulation of the company's overall carbon neutral strategy and objectives, establishing and improving the operational mechanisms and processes related to carbon neutral business, coordinating the planning of carbon neutral management, promoting the synergy of the cross-business units' work on carbon neutral and reporting the progress and plans of the work on climate change to the Board of Directors of the parent company, Junma Group, on a regular basis. It will regularly report to the Board of Directors of the parent company, Stallion Group, on the progress and plans for addressing climate change, and at the same time actively communicate with other stakeholders, such as the government, customers, investors, employees, etc., and collect the expectations and requirements of the stakeholders in addressing climate change.

5.5.2 Strategy

Based on the policy requirements and industry characteristics, Junma Steel Cord identifies and evaluates the climate risks faced by the Company, and develops and gradually adopts countermeasures in conjunction with its corporate strategy and stage of development.

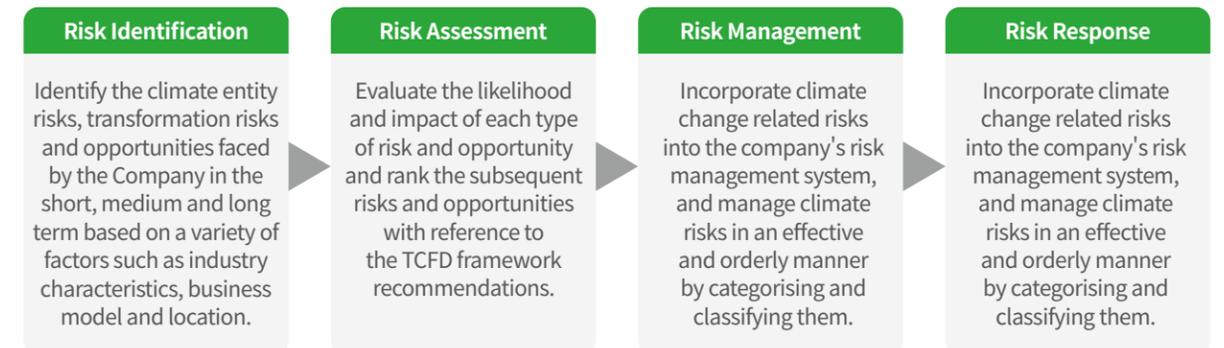
Risk Type	Climate Risk	Degree of impact	Time Dimension	Response
Physical Risks				
Acute Risk	The frequency of extreme weather events such as rainstorms, typhoons and floods is increasing.	<ul style="list-style-type: none"> Causing damage to the company's production equipment. Increase employee health and safety risks. Risks of transport disruptions and supply chain disruptions, resulting in reduced production capacity, increased operating costs and reduced profitability. 	Short-term (1-2 years)	<ul style="list-style-type: none"> Consider the likelihood and hazards of climate disasters when selecting sites and planning operations, and include climate factors in the assessment. Do a good job of monitoring and early warning of extreme weather, formulate targeted disaster contingency plans according to the characteristics of the operation site, carry out regular emergency drills, and pay attention to the daily reserve of disaster prevention and mitigation materials. Regularly inspect the production and operation facilities, and upgrade them according to the needs to improve the level of disaster protection. Enhance the ability of relevant personnel to cope with extreme disasters and provide relevant training for employees.

Risk Type	Climate Risk	Degree of impact	Time Dimension	Response
Physical Risks				
Chronic Risk	Changes in rainfall, extreme climate fluctuations, increase in long-term average temperature	<ul style="list-style-type: none"> Higher infrastructure costs such as longer construction periods, premature wear and tear of equipment, and higher insurance costs for equipment and personnel. Higher company operating costs such as increased demand for cooling water for equipment and increased demand for cooling and heating for production and office space. Chronic damage to the health of frontline employees. 	Long-term (5-10 years)	<ul style="list-style-type: none"> Consider climate-related factors in site selection and business planning, and purchase insurance for related assets in advance. Continuously strengthen energy conservation and emission reduction, improve the efficiency of energy, water and other resources, and reduce the dependence on natural resources. Continuously improve the occupational health protection system, standardise the management requirements for high-temperature work, and provide employees with protective gears according to climate conditions. Extensively carry out climate change related science education for stakeholders, and advocate the concept of low carbon and environmental protection.
Transformation Risks				
Policy Risk		<ul style="list-style-type: none"> He government has introduced policies such as electricity restriction, forcing production to stop and reduce. The introduction of carbon emission management measures by the government may lead to pressure on the company to upgrade its energy-saving and emission reduction technologies, which in turn will push up the cost of compliance operations. The government has forced the replacement of high-emission fossil energy with low-emission clean energy, leading to an increase in production costs. 	Long-term (5-10 years)	<ul style="list-style-type: none"> Strengthen communication with the government and relevant authorities to ensure timely understanding of policy changes and proactive and positive adjustment of business and operational arrangements. Carry out energy-saving technological reforms within the Company and improve the energy management system. Establish an internal greenhouse gas emission management system and strengthen carbon emission supervision and compliance confirmation. Gradually increase the proportion of clean energy used through self-built clean energy facilities or outsourced clean energy.
Technology Risk		<ul style="list-style-type: none"> Technology-driven elimination of high-energy-consuming equipment and increased R&D costs in the transition to low-emission equipment. 	Long-term (5-10 years)	<ul style="list-style-type: none"> Increase R&D efforts in cleaner technologies and reduce costs through cleaner production innovations. Continuously explore and apply green materials to improve product performance and reduce costs.
Market Risk		<ul style="list-style-type: none"> The shift in customers' environmental awareness has led to rising concern and expectations for green and low-carbon products, and failure to respond to customer demand in a timely manner may lead to a decline in market share. 	Medium-term (3-5 years)	<ul style="list-style-type: none"> Actively carry out R&D and design of green and low-carbon products, increase R&D investment, and raise the proportion of green products in shipments. Actively carry out publicity for green and low-carbon products and establish a good brand image.

5.5.3 Risk management

We have incorporated climate change risks into our overall risk management system, conducted a comprehensive assessment of climate change risks, and categorised and ranked the risks according to their significance.

For each type of risk identified, we will continue to build monitoring measures and gradually improve the risk response plan, and will adjust the risk response strategies and measures in a timely manner according to the degree of significance and changes in policies, industries and the actual situation of the Company.



5.5.4 Indicators and targets

Junma Steel Cord Climate Objectives and Actions

Base year: 2023

<p>Target 1: By 2034, reduce Scope 1 and Scope 2 emissions by 58.8 per cent from 2023 levels.</p> <p style="font-size: 24px; font-weight: bold; color: #008000;">58.8%</p>	<p>Target 2: By 2034, reduce Scope 3 emissions by 63.8 per cent per RMB of output, based on 2023 levels.</p> <p style="font-size: 24px; font-weight: bold; color: #008000;">63.8%</p>
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5.6 Biodiversity

Junma Steel Cord continuously pays attention to the impact of its activities on biodiversity, and strictly complies with the Environmental Protection Law of the People's Republic of China, Soil Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, as well as laws, regulations and guiding policies such as the Opinions on Further Strengthening the Protection of Biodiversity of the General Office of the State Council Carry out risk identification and hidden danger investigation.

During the reporting period, all of the Company's production and operation bases were located in mature industrial parks and were industrial land. The Company does not have any operation sites located within nature reserves or in areas with rich biodiversity in protected areas. None of the Company's operating activities, products and services have been found to have significant impact on biodiversity.

06

Jointly Building a Green Supply Chain

Qualitative KPIs



Prioritize collaboration with suppliers holding ISO 14001 certification

Prioritize collaboration with suppliers holding ISO 45001 certification

Quantitative KPIs

Percentage of suppliers undergoing risk assessments covering environment, human rights, business ethics, and health & safety.

2030 Target: 100% **Progress on 2024 Targets: 100%**

Percentage of suppliers who have signed the Supplier Code of Conduct

2030 Target: 100% **Progress on 2024 Targets: 100%**

Percentage of suppliers communicated with regarding the Statement on Conflict Minerals.

2030 Target: 100% **Progress on 2024 Targets: 100%**

Percentage of buyers trained in the Sustainable Procurement Policy.

2030 Target: 100% **Progress on 2024 Targets: 100%**

Procurement volume of nickel, copper, and aluminum originating from conflict-affected and high-risk regions.

2030 Target: 0 **Progress on 2024 Targets: 0**



Key Performance Indicators

100% of suppliers have signed contracts that include clauses on environmental, labor, and human rights requirements. 100%	100% of suppliers have signed the <i>Supplier Code of Conduct</i> 100%
100% coverage of supplier social responsibility self-assessments 100%	100% of targeted suppliers have undergone on-site audits under the social responsibility program 100%
100% training coverage of procurement staff on the <i>Sustainable Procurement Policy</i> 100%	100% of suppliers identified for rating improvement have been engaged 100%

6.1 Supply Chain Management

The Company has formulated a *Sustainable Procurement Policy* applicable to all suppliers, traders, contractors, and partners engaged in business cooperation with the Company, integrating environmental, social, and governance (ESG) considerations into procurement decision-making. In addition, the Company requires all suppliers to sign the *Supplier Code of Conduct*, and incorporates elements such as environmental protection, labor and human rights, and business ethics into contractual agreements with suppliers, thereby ensuring that the Company's sustainable procurement policy is effectively communicated to every business partner.

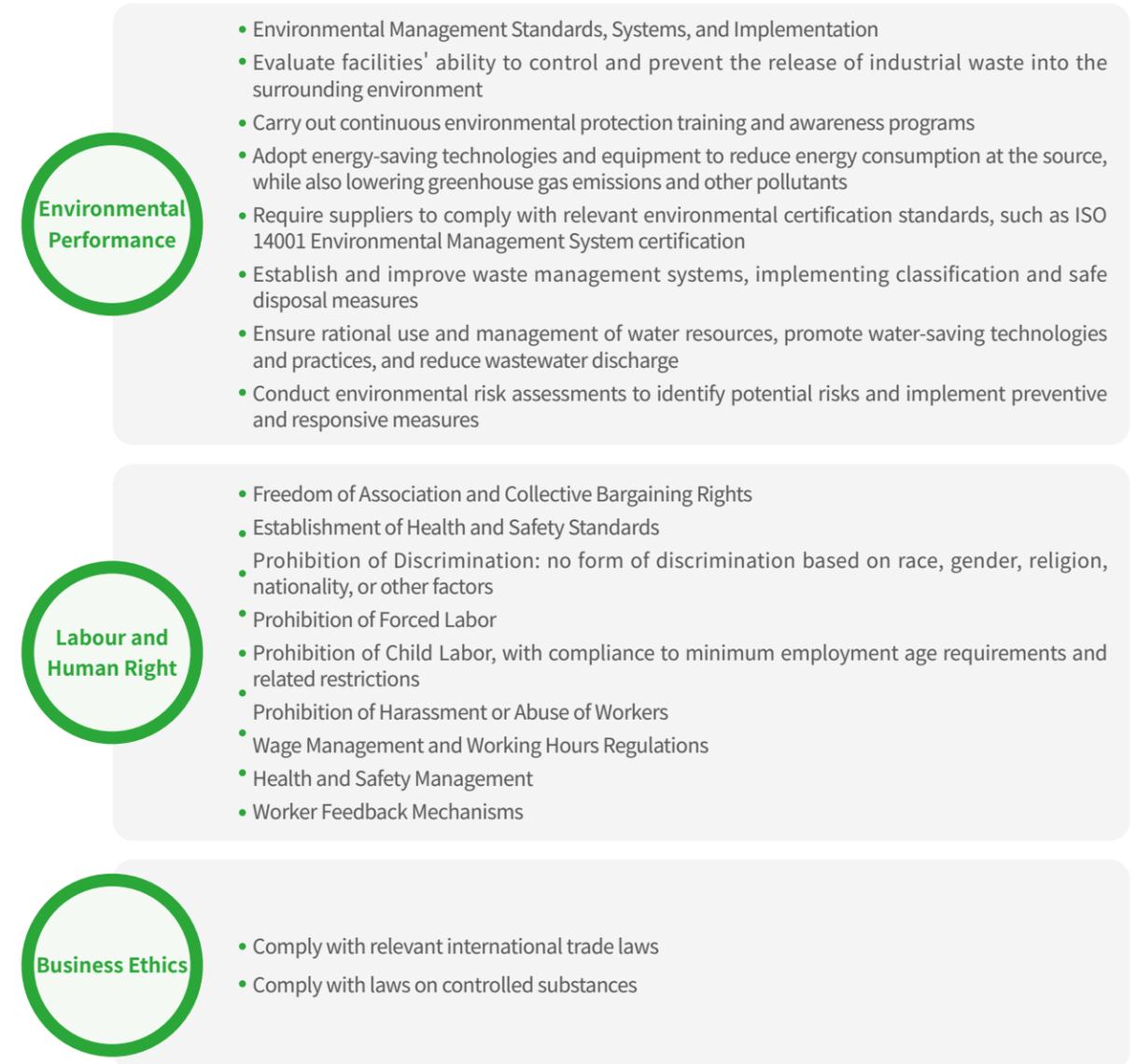
6.1.1 Risks Analysis

We have established a *Supplier Management Procedure* and conduct supplier risk assessments based on the following criteria:



6.1.2 Social Responsibility Performance Assessment

The Company has formulated the *Supplier Performance Evaluation Guidelines*, requiring all key material suppliers to provide carbon footprint certificates or data. In addition, on-site audits are conducted for all suppliers, during which scoring and ratings are carried out on environmental, social, and governance (ESG) issues.



6.1.3 Performance Assessment and Rectification

For minor nonconformities or issues requiring rectification identified in social responsibility performance assessments, the Company provides suppliers with relevant environmental and social knowledge training. Suppliers with average rating performance are required to submit improvement reports, implement corrective actions within a specified period, and obtain confirmation from the Company's relevant departments. For suppliers with poor rating performance, the Company will immediately suspend deliveries until corrective actions are completed and re-audits are passed, after which deliveries may resume.

6.1.4 Procurement Personnel Management

The Company promotes awareness of sustainable procurement from the procurement side, ensuring that 100% of procurement staff participate in *Sustainable Procurement Policy* training. This continuously strengthens their attention to environmental and social issues within the supply chain.



6.1.5 Strengthening Supply Chain Quality

Junma Steel Cord has established a *Supplier Management Procedure*, which ensures supplier admission control and long-term quality assurance through supplier surveys, potential supplier evaluations, supplier reviews, qualified supplier approvals, supplier assessments, supplier quality system verification, and regular supplier performance confirmations. This process covers the quality of supplied goods, supply stability, integrity of management systems, environmental protection performance, and the degree of social responsibility fulfillment.

6.1.6 Diversify Supply Chain

The Company encourages diversified procurement practices, giving support and preference to suppliers of various backgrounds and sizes. We are committed to working with suppliers from different industries, regions, and cultural backgrounds to foster diversity in our supply chain.



6.2 Supply Chain Communication

6.2.1 Reporting and Appeals

The Company provides all suppliers with open and transparent channels for reporting and appeals, enabling them to report any violations of the *Sustainable Procurement Policy* or to provide suggestions regarding the policy.



Hotline:
0512-58140915

6.3 Responsible Mineral Sourcing

Junma Steel Cord fully recognizes the potential risks of significant adverse impacts associated with the mining, trading, processing, and export of minerals from conflict-affected and high-risk areas. In response, and in line with the OECD Due Diligence Guidance as well as the *China Due Diligence Guidelines for Responsible Mineral Supply Chains*, the Company has issued a *Statement on Conflict Minerals*, declaring and committing that it will not accept the use of metals sourced from conflict-affected regions.

07

Activating Industry Value

Qualitative KPIs



Continuously Conduct and Improve Customer Satisfaction Scores.



Increase R&D investment and actively develop environmentally friendly products with a low carbon footprint.

Quantitative KPIs

Number of Recall Incidents Due to Product Safety Performance

Targets: 0 2024 Achievement Status: 0

Incidents of Non-compliance in Health and Safety Related to Products and Services

Targets: 0 2024 Achievement Status: 0

Number of Reported Cases Involving Infringement of Employee or Customer Privacy

Targets: 0 2024 Achievement Status: 0



7.1 Research and Innovation

7.1.1 Research and Development System

The Company strictly complies with the *Law of the People's Republic of China on Progress of Science and Technology*, the *Patent Law of the People's Republic of China*, and other relevant laws and regulations in building its R&D and innovation system. An R&D center has been established, and through R&D personnel, R&D platforms, and strategic partnerships, the Company continuously improves the top-level design of technological innovation and strengthens its operational mechanisms.

As of the end of the reporting period



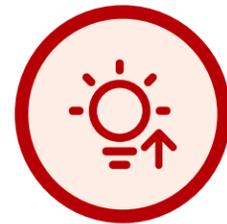
the Company held a total of 258 authorized patents

258



including 245 utility model patents

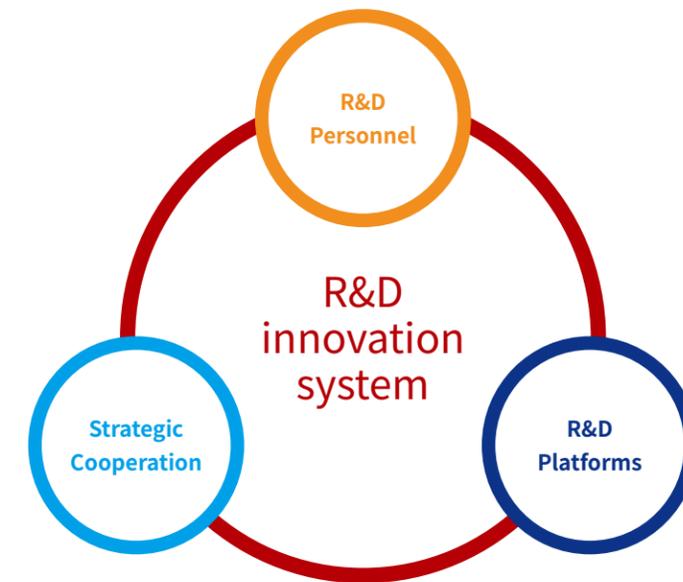
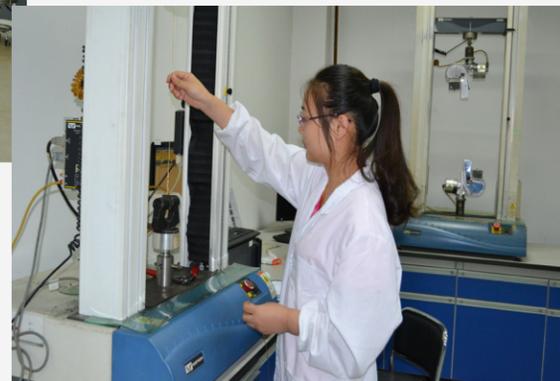
245



and 16 invention patents

16

In 2024 alone, 55 patents were authorized, of which 54 were utility model patents.



R&D Personnel

The Company employs 277 professional R&D staffs specializing in materials science, metal processing, chemical engineering, and other disciplines.

3 professors engaged through industry-university-research collaboration

3

3 staff members hold master's degrees

3

3 staff members hold senior professional titles

3



R&D Platforms

Testing Equipment

The Company has successively procured advanced testing and analytical equipment from both domestic and international sources, enabling comprehensive testing of the physical and chemical properties of steel cord. The Company is also capable of providing external testing services, supporting enterprise-level technology development and product innovation, and independently undertaking research projects.

R&D Center

The Company has established several R&D platforms, including the Jiangsu Academician Workstation, the Jiangsu Engineering Technology Research Center for Green Manufacturing of Ultra-Fine Steel Cord Wire, the Jiangsu Enterprise Postgraduate Workstation, and the Jiangsu Provincial Enterprise Technology Center. Together, these platforms form a comprehensive R&D system covering basic research, applied technology research, and new product development, and undertake the Company's R&D tasks for new materials, new products, new processes, and new equipment.

The Company's Technology Center houses a dedicated R&D Center, equipped with a pilot workshop, product testing laboratory, physical and chemical testing laboratory, and product exhibition area.



Strategic Cooperation

In terms of industry-university-research cooperation, the Company has carried out multiple scientific research projects with universities such as Southeast University and Nanjing Institute of Technology.

During the reporting period, the Company collaborated with Southeast University on the following research projects:

- ✔ Studied and analyzed the effects of the four processes of water-bath quenching—rapid cooling, film boiling stage, nucleate boiling stage, and convective heat transfer stage—on sorbite transformation. By focusing on parameter control during the film boiling or nucleate boiling stages, the project achieved appropriate cooling speeds for wire rods, thereby producing wire with thin oxide scale, high sorbite transformation rate, and stable mechanical properties. The project also simulated and modeled the force field, straightness deviation, and drawing uniformity of steel wires to improve the drawing process of high-strength ultra-fine high-carbon steel wires. A dynamic simulation model of the drawing process was developed, and parameters such as deformation rate and drawing speed were adjusted to optimize the drawing process, resulting in ultra-long continuous forming technology (<300KM). Throughout the cooperation, product performance indicators fully met expectations, with a breakage rate maintained at 3 per ton in processing technology.
- ✔ Determined the heat treatment process temperatures for wire rods of different steel grades—by testing the C-curves of steel wires, suitable heating temperatures were established.
- ✔ Improved material performance by regulating the tempered microstructure to enhance cementite strength and ferrite plasticity, thereby achieving simultaneous improvements in strength and ductility.

In addition, the Company, together with East China University of Science and Technology, established the Jiangsu Academician Workstation and actively carried out project collaborations with several other universities.

7.1.2 Energy Conservation, Emission Reduction, and Digital Intelligence

Reutilization of Waste Heat from Heat Treatment Furnaces

By harnessing the waste heat generated from high-temperature heat treatment furnaces to convert water into steam, the Company reuses the steam in heating processes required for electroplating operations, such as degreasing, pickling, water-bath heating, and hot-water rinsing. This approach effectively reduces steam energy consumption. As of the end of the reporting period, a total of six electroplating lines were equipped with this system, achieving a monthly reduction of 450 tons of steam consumption.



Waste Wire Plasma Cutting Device

The Company has adopted an automated plasma cutting device (electric-powered) to replace manual wire removal. This not only reduces labor costs but also saves oxygen and acetylene consumption, while significantly improving operational safety.



Information Systems

The Company has established a comprehensive quality management information system covering the entire process from incoming raw materials to finished product delivery, greatly facilitating quality control and traceability.

In parallel, the Company has set up an Intelligent Manufacturing Center and carried out smart upgrades of its steel cord workshops. By adopting an ERP (Enterprise Resource Planning) system, the Company has integrated various operational management modules such as procurement and sales, achieving digital integration of business data and processes.

During production, workshops utilize handheld smart scanning terminals to scan material QR codes, retrieve material and product information, and record operational data in the MES (Manufacturing Execution System). This enables real-time tracking of location and status, clarifies delivery points, and achieves full traceability across the entire production cycle—from feeding and manufacturing to packaging. This system supports the Company's capability in full lifecycle quality management of its products.



Phase I Electroplating Line: Upgrade from Sand Bed Diffusion to Digital Medium-Frequency Diffusion

Originally, the electroplating line adopted a fluidized bed process to achieve surface diffusion for brass-plated wire. It has now been upgraded to the latest digital medium-frequency diffusion technology, resulting in approximately 20% energy savings, with significant efficiency improvements and a substantial reduction in production costs.



Phase II Electroplating Line Waste Heat Recovery Retrofit

Previously, flue gas from the electroplating line furnaces was directly discharged through the furnace flue at temperatures of approximately 200–300 °C, without being utilized. By installing flue gas heat exchangers, the waste heat is now fully harnessed to generate steam for use in the production line. The energy-saving benefits are significant: a single electroplating line can recover 70.5 kW (60,568 Kcal/h) of heat.



7.1.3 Quality Management

The Company always places product quality as its top priority, strictly complying with the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, and other relevant laws and regulations. It has formulated the Inspection and Testing Management Procedure, and established a modern quality inspection center, simulation laboratory, and R&D center. Product quality is managed through on-site inspection, packaging re-inspection, quality inspection center testing, and shipment quality inspection management.

The Company has also developed product testing plans and incoming material inspection plans, while conducting on-site audits of supplier quality management systems to strengthen control over supplier production processes. In addition, the Company carries out internal system audits and process audits annually.

The Company has set up chemical analysis, physical analysis, metallographic analysis, and vulcanization laboratories, and has established a comprehensive quality management network mechanism that extends "horizontally to the edges and vertically to the bottom." This ensures dynamic supervision and full traceability of product quality. Process flows and production are managed in accordance with all product quality indicator requirements.



At present, the Company has obtained IATF 16949 Quality Management System certification and has received multiple customer honors.

In 2024, the Company experienced no product recalls due to safety reasons, and no violations or incidents occurred in relation to health and safety in the products and services provided.

Customer Honors



7.1.4 Nonconforming Product Management

The Company has established the *Nonconforming Product Control Procedure* to manage nonconforming items identified in four key stages: procurement materials, production process, work-in-progress, and finished goods during warehousing and after delivery. Relevant departments are assigned responsibilities for the supervision, disposition, segregation, review, training, and customer communication regarding nonconforming products.



- The Quality Department conducts sampling inspections on products.
- Nonconforming products identified through sampling are subject to analysis and confirmation.
- If occasional non-sampled products are entirely nonconforming, such products are controlled as rework items.
- If all sampled products are nonconforming, the Quality Department, together with the Technical Department and the responsible unit, immediately conducts analysis and confirmation, traces back the previously released products from the same batch, and formulates rework/reprocessing work instructions for the identified nonconformities. Previously released products are then subject to special rework and reprocessing treatment.

7.1.5 Quality Culture Development

Each year, the Company develops an annual quality training plan covering operational training, standards training, certification training, and training on quality tools. In addition, the Company organizes a skills competition for young workers and sets up quality bulletin boards within the Company to strengthen quality awareness among all employees.



Quality Analysis Regular Meeting



Quality Training Session On-site



2024 Young Workers' Skills Competition

7.1.6 Intellectual Property Management

The Company has set clear objectives and positioning for its intellectual property (IP) strategy and development, namely: reducing innovation costs, securing a large number of patents, and capturing key market advantages. To adapt to changing market demands, the Company has adopted a strategy that combines technology development, patents, trademarks, and trade secret protection. The patent commercialization rate of the Company is approximately 80%.

The Company places great emphasis on intellectual property protection and strictly complies with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. It has established and improved its IP management system by formulating an Intellectual Property Management Manual and an IP Incentive Policy. In addition, the Company has enhanced protection through technology contracts and confidentiality agreements, established a dedicated IP office, and assigned full-time IP professionals, thereby forming a management system with clear legal basis and operational guidelines.

The Company has been recognized as a National Intellectual Property Model Enterprise. In 2024, in order to better mitigate market risks, the Company conducted a patent early-warning analysis report for its core product—steel cord. Through scientific analysis and research, the Company effectively identified competitive advantages and breakthroughs, pinpointed weaknesses and gaps, and successfully avoided potential patent infringement risks. At the same time, alternative technical solutions were explored to further enhance the Company's technological innovation capability.

Our Targets

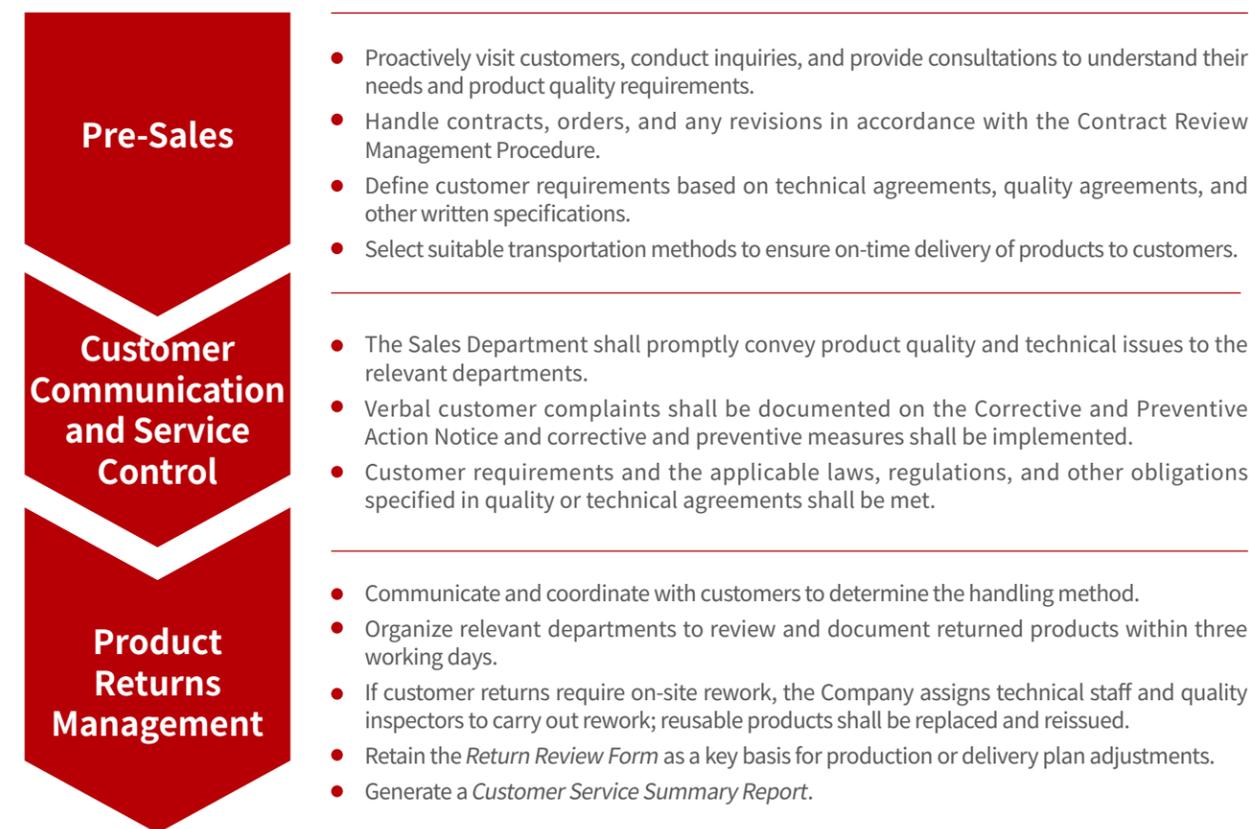
Type of Targets	KPIs	Unit	Targets	Achievement of targets for 2024
Internal Audit	Product Audit Compliance Rate	%	≥ 99.9%	100%
	Process Audit Compliance Rate (EP)	%	≥ 90%	95%
	Audit Nonconformity Closure Rate	%	100%	100%
Data Analysis and Utilization	Finished Steel Cord CPK Deviation Index	-	≤ 0.088	0.080
Production	First-Pass Yield of Production Inspection (Stranding Process)	%	≥ 99.80%	99.80%
	Product Delivery Acceptance Rate (Client-Side)	%	100%	100%
Customer Feedback / Customer Communication	Customer Written Complaint	次 / 万吨	≤ 0.20	0.20
	Number of Customer Complaints per 10,000 Tons	次 / 万吨	≤ 2.5	1.87
Procurement and Supplier Management	Incoming Raw Material Inspection Pass Rate (Wire Rods)	%	≥ 99%	99.89%

7.2 Customer Services

While ensuring high-quality products, the Company also provides comprehensive pre-sales, in-sales, and after-sales services, and has established the *Product Delivery and Service Control Procedure*, which specifies the personnel and functions for after-sales technical services. Customer complaints and customer satisfaction are handled in accordance with the internal *Corrective and Preventive Action Control Procedure* and *Customer Satisfaction Management Procedure*.

7.2.1 Customer Service and Complaint Management

The Company has established the *Product Delivery and Service Control Procedure* and the *Corrective and Preventive Action Control Procedure* documents, which define the customer complaint handling process and related requirements.



7.2.2 Rapid Response

The Company has established a rapid response mechanism for customer quality objections. Customers may raise inquiries at any time regarding issues related to products or services. For any service or quality concerns, feedback is provided within 24 hours, emergency measures are proposed within 48 hours, and a formal report is issued within 72 hours in accordance with customer requirements, thereby ensuring timely response to customer feedback.

7.2.3 Customer Privacy Protection

To strictly safeguard customer information and privacy, the Company requires employees in high-risk positions to sign a *Confidentiality Agreement*. In addition, the Company classifies customer information by type and grants access based on the principle of minimization ('need-to-know' basis). The Company has also compiled the *Operational Manual on Risk Points in Sales Contract Management*, which conducts risk identification and real-time supervision across contracts, finance, and logistics. Furthermore, relevant provisions are clearly stipulated in *Technical Agreements* to ensure that customers are informed in advance and consent is obtained before using or storing any personal information.

In 2024, the Company recorded no violations or incidents related to customer privacy and did not receive any related complaints.

7.2.4 Customer Satisfaction Survey

The Company conducts customer satisfaction surveys twice a year, covering aspects such as quality, delivery, and service. In 2024, the Company carried out a customer satisfaction survey, with an overall satisfaction rate of 99.88% from domestic and international customers.

08

Social Contributions



8.1 Social Welfare

"Red Tie" Party Building Program: Assisting and Benefiting Farmers

In 2024, the company donated 300,000 yuan to Nan'gang Village, Jinfeng Town, to support local livelihood projects by supporting fresh food delivery project and improving the service conditions of the village's elderly care center, which can provide better life care and cultural entertainment for elderly residents in the area.



骏鹿学堂托起“小候鸟”多彩假期

The Junlu School is a three-in-one protective network established by the company through integrating business professionals, schools, and community resources. In the first phase of the "Little Migrant Birds" companionship program, priority was given to children from single-parent families and families with financial difficulties, addressing their concerns. "When the children come here to play during summer vacation, they can acquire knowledge in this school while parents can work in peace," One of our employees praised, "how considerate the company is for us." The first phase of the companionship program provided round-the-clock care services for 20 children of migrant workers, bringing them a colorful and enriching holiday.



Blood Donation

The company organizes annual voluntary blood donation activities regularly. In 2024, 29 employees participated in the blood donation, with a total blood volume reaching 9,300 milliliters.



Appendix

9.1 Key Indicators of Achievement Table

Economic Performance

Direct economic value generated and distributed on an accrual basis				
Indicators	Unit	2022	2023	2024
Total assets	RMB million	386,854.05	345,258.66	308,129.96
Operating Income	RMB million	275,853.88	290,168.28	267,614.38
Total annual tax payments ¹⁰	RMB million	4,149.47	11067.57	6,647.11

Environmental Performance

Environmental management system				
Indicators	Unit	2022	2023	2024
Percentage of internal staff trained on environmental issues	%	100.00%	100.00%	100.00%
Percentage of all workplaces that have adopted environmental risk assessments	%	100.00%	100.00%	100.00%
Percentage of sites with ISO 14001 certification as a percentage of all workplaces	%	100.00%	100.00%	100.00%

Greenhouse gas emission				
Indicators	Unit	2022	2023	2024 ¹¹
Total greenhouse gas emissions	Tonnes of carbon dioxide equivalent	943,069.43	1,133,797.32	1,006,054.90
Scope 1 greenhouse gas emissions	Tonnes of carbon dioxide equivalent	25,838.58	30,078.10	32,142.24
Scope 2 greenhouse gas emissions	Tonnes of carbon dioxide equivalent	323,476.25	379,347.79	357,794.56
Scope 3 GHG emissions	Tonnes of carbon dioxide equivalent	593,754.60	724,371.42	616,118.09
GHG emissions per unit of product	Tonnes CO2 eq/tonne	3.79	3.84	3.43

¹⁰ Total tax payments include export tax credits.

¹¹ The 2024 data is from the initial audit report issued by a qualified third-party auditor, and the verification data from the informal certificate.

Exhaust emission				
Indicators	Unit	2022	2023	2024
Total Exhaust Emissions	million cubic metres	68,542.83	63,848.94	67,959.42
Particulate Matter Emissions	kg	1,955.73	2,192.43	2,497.17
Sulphur dioxide emissions	kg	0.00	1.08	0.00
Nitrogen oxide emissions	kg	8,076.39	7,295.16	7,789.32
Sulphuric acid mist emissions	kg	27.30	24.84	47.43
Hydrochloric acid mist emissions	kg	868.77	411.72	415.38

Wastewater discharge ¹²				
Indicators	Unit	2022	2023	2024 ¹³
Domestic wastewater discharge	cubic metre	216,900.00	484,151.00	341,672.00
Production wastewater discharge	cubic metre	451,794.00	700,686.00	684,874.00
Chemical Oxygen Demand	tonnes	9.03	9.24	7.30
Total Copper	Kg	0.70	0.00	0.00
Total Zinc	Kg	1.61	0.00	0.00
Total Nitrogen	tonnes	3.59	6.56	6.35
Ammonia	Kg	36.94	34.00	120.47
Total phosphorus	Kg	68.34	22.00	106.25

Solid waste emissions				
Indicators	Unit	2022	2023	2024
Scrap Iron (Chip)	tonnes	1,694.89	1,576.99	797.41 ¹⁴
General industrial solid waste generation/transfer	tonnes	236.00	296.60	422.10
Waste wire drawing powder	tonnes	2,563.84	3,767.72	5,649.45
Waste steel wire	tonnes	780.66	1,148.24	754.92
Waste Packaging Box	tonnes	183.34	113.30	213.52
Waste Plastic	tonnes			

¹² The company's production volume increases significantly in 2023, and therefore wastewater discharge rises significantly.

¹³ 2024 Re-define and recalculate discharge as required for water balance calculations.

Solid waste emissions					
	Indicators	Unit	2022	2023	2024
Hazardous waste generation/transfer	Copper sludge	tonnes	247.48	271.90	440.05
	Waste Sulphuric Acid	tonnes	3,878.78	4,297.20	4,288.54
	Waste hydrochloric acid	tonnes	6,103.30	7,351.90	6,069.38
	Waste phosphoric acid	tonnes	4,263.93	4,469.46	4,376.76
	Heavy oil	tonnes	674.41	709.00	527.56
	Electroplating sludge	tonnes	1,896.01	1,958.40	1,633.00
	Waste membrane	tonnes	0.00	0.00	0.18
	Waste emulsion	tonnes	16,152.82	18,997.20	16,984.00
	Laboratory residue and packaging	tonnes	64.06	119.70	117.62

Energy use ¹⁵					
	Indicators	Unit	2022	2023	2024
	Total electricity consumption (including photovoltaic power generation)	Million kWh	51,923.04	60,222.89	59,808.73
	Solar photovoltaic power generation	Million kWh	214.34	3,631.59	3,521.38
	Electricity consumption per unit tonne of product	kWh/tonne	2,085.00	2,040.06	2037.63
	Electricity consumption per unit area	kWh/m ²	720.33	836.42	838.44
	Natural gas consumption	cubic metre	11,317,767.00	13,577,339.00	14,398,245.00
	Natural gas consumption per ten thousand yuan of revenue	Cubic metre/million	52.33	51.95	53.80
	Natural gas consumption per unit area	Cubic metres/square metres	15.72	20.94	20.18
	Total steam consumption	tonnes	77,915.00	81,275.00	67,382.00
	Diesel consumption	litres	165,752.00	188,113.80	138,260.00
	Total photovoltaic/electricity consumption	%	0.41	6.03	5.89

¹⁴ 2024 Cooperation with third-party companies for recycling ferrous scrap, so the figures are significantly lower.

¹⁵ The company's production lines increase in 2023, so there is a significant increase in energy consumption.

Water usage					
	Indicators	Unit	2022	2023	2024 ¹⁶
	Total water intake ¹⁷	Tonnes/tonne	228,860.00	148,896.00	2,508,128.50
	Water consumption per unit of production	Tonnes/tonne	0.92	0.504	2.28
	Water reuse volume	Cubic metres	1,786,506.00	2,166,162.00	1,047,170.00
	Water recycling utilisation rate (utilisation rate of water reuse)	%	78.18	73.97	76.03

Social Performance

Employment

Employee profile				
	Indicators	2022	2023	2024
	Total number of employees	2,614	2,430	2,615
	Labour contract signing rate	100.00%	100.00%	100.00%
	Proportion of standard starting salary level wages above the local minimum wage	100.00%	100.00%	100.00%
	Employee maintenance wage payment rate	100.00%	100.00%	100.00%

By Gender	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	2,035	77.85%	1,962	80.74%	2095	80.11%
female	579	22.15%	468	19.26%	520	19.89%

By Grade	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Senior Management	4	0.15%	4	0.17%	4	0.15%
Middle Management	55	2.10%	54	2.22%	54	2.07%
General Staff	2,555	97.75%	2,372	97.61%	2557	97.78%

¹⁶ Redefinition and replacement of the calculation methodology for water withdrawal and consumption in accordance with the requirements of the water balance calculation in 2024, and inclusion of the energy consumption of the accommodation areas in the statistics.

¹⁷ Total water intake = tap water + steam + purchased water + new quarters.

By Age	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Under 30 years old	344	13.16%	531	21.85%	393	15.03%
30-50 years old	1,818	69.55%	1,428	58.77%	1705	65.20%
Over 50 years old	452	17.29%	471	19.38%	517	19.77%

By Region	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
China (including Hong Kong, Macao and Taiwan)	2,614	100.00%	2,430	100.00%	2615	100.00%
Overseas Countries or Regions	0	0.00%	0	0.00%	0	0.00%

By Ethnicity	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Han ethnic group	2,503	95.75%	2,404	99.09%	2557	97.78%
ethnic group	111	4.25%	26	0.91%	58	2.22%

By Education Level	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Masters and above	3	0.11%	3	0.12%	3	0.11%
Bachelor's Degree	69	2.64%	77	3.17%	72	2.75%
College and below	2,542	97.25%	2,350	96.71%	2540	97.13%

By Professional Composition	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Production staff	2,111	80.76%	1,950	80.25%	2137	81.72%
Sales staff	10	0.38%	10	0.41%	10	0.38%
Technical staff	277	10.60%	277	11.40%	277	10.59%
Financial staff	4	0.15%	4	0.16%	4	0.15%
Administrative staff	130	4.97%	128	5.27%	128	4.89%
Others	82	3.14%	61	2.51%	59	2.26%

By Health Status	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Persons with disabilities	13	0.50%	5	0.18%	5	0.19%

Total number and percentage of new employees by gender, age and region			
Indicators	2022	2023	2024
Total number of new employees	500	495	882

By Gender	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	396	79.20%	446	80.00%	706	80.05%
female	104	29.80%	49	20.00%	176	19.95%

By Age	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Under 30 years old	109	21.80%	343	69.29%	63	7.14%
30-50 years old	370	74.00%	102	20.61%	739	83.79%
Over 50 years old	21	4.20%	50	10.10%	80	9.07%

By Region	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
China (including Hong Kong, Macao and Taiwan)	500	100.00%	495	100.00%	882	100.00%
Overseas Countries or Regions	0	0.00%	0	0.00%	0	0.00%

Number and rate of staff wastage by gender and grade ¹⁸			
Indicators	2022	2023	2024
Total Employee Turnover	674	679	697
Employee Turnover Rate	25.78%	27.94%	26.65%

¹⁸Employee turnover rate = annual turnover/total annual employees * 100%, and turnover rate for each category of employees = number of employees leaving the category/total number of employees in the category * 100%.

By Gender	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	550	27.03%	519	26.45%	573	27.35%
female	124	21.42%	160	34.19%	124	23.85%

By Age	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Under 30 years old	153	44.48%	156	29.38%	201	51.15%
30-50 years old	392	21.56%	492	34.45%	462	27.10%
Over 50 years old	129	28.54%	31	6.58%	34	6.58%

By Region	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
China (including Hong Kong, Macao and Taiwan)	674	25.78%	679	27.94%	697	26.65%
Overseas Countries or Regions	0	0.00%	0	0.00%	0	0.00%

Total number and percentage of management employees by gender, age and ethnicity			
Indicators	2022	2023	2024
Total number of management employees	59	58	58

By Gender	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	57	96.61%	56	96.55%	56	96.55%
female	2	3.39%	2	3.45%	2	3.45%

By Age	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Under 30 years old	1	1.69%	1	1.72%	0	0.00%
30-50 years old	46	77.97%	46	79.31%	43	74.14%
Over 50 years old	12	20.34%	11	18.97%	15	25.86%

By Ethnicity	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Han ethnic group	59	100.00%	58	100.00%	58	100.00%
ethnic group	0	0.00%	0	0.00%	0	0.00%

Training and Development

Total number and percentage of employees receiving regular performance and career development appraisals, by gender and rank

Indicators	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Total number and percentage of employees receiving regular performance and career development appraisals	2,614	100.00%	2,430	100.00%	2615	100.00%

By Gender	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Male	2,035	100.00%	1,962	100.00%	2095	100.00%
female	579	100.00%	468	100.00%	520	100.00%

By Grade	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Senior Management	4	100.00%	4	100.00%	4	100.00%
Middle Management	55	100.00%	54	100.00%	54	100.00%
General Staff	2,555	100.00%	2,372	100.00%	2557	100.00%

Number of hours of staff training and coverage rate by gender and grade						
Indicators	2022		2023		2024	
	Hours	Percentage	Hours	Percentage	Hours	Percentage
Total number of employees receiving training ¹⁹	2,306	88.20%	2,430	100.00%	2615	100.00%

¹⁹ Average number of hours of training = total number of hours of training provided to staff/total number of staff, and average number of hours of training for each category of staff = total number of hours of training provided to that category of staff/total number of staff in that category.

By Gender ²⁰	2022		2023		2024	
	Hours	Percentage	Hours	Percentage	Hours	Percentage
Male	NA	89.55%	22.94	100.00%	22.43	100.00%
female	NA	90.00%	25.86	100.00%	23.14	100.00%

By Grade	2022		2023		2024	
	Hours	Percentage	Hours	Percentage	Hours	Percentage
Senior Management	12	88.26%	11.75	100.00%	10.51	100.00%
Middle Management	28	14.43%	15.19	100.00%	16.40	100.00%
General Staff	23.04	28.80%	23.71	100.00%	22.72	100.00%

Rights & Benefits

Incidents of discrimination			
Indicators	2022	2023	2024
Number of employees covered by collective bargaining agreements	2,614	2,430	2,615
Percentage of employees covered by collective bargaining agreements	100.00%	100.00%	100.00%
Employees covered by formal collective agreements on working conditions, as a percentage of all employees in all regions	100.00%	100.00%	100.00%
Employees covered by formal election of employee representatives, as a percentage of all employees in all regions	100.00%	100.00%	100.00%
Number of trade union members	2,614	2,430	2,615
Total number of incidents of discrimination during the reporting period	0	0	0
Number of violations of laws and regulations regarding hiring and firing, compensation and benefits, working hours and holidays, equal opportunity, and anti-discrimination	0	0	0
Percentage of all workplaces that have undergone human rights reviews or human rights impact assessments	100.00%	100.00%	100.00%
Number of employees who have received training on prevention of discrimination and human rights violations.	2,614	2,430	2,359
Proportion of employees who have received training on prevention of discrimination and human rights violations	100.00%	100.00%	100.00%
Results of Employee Satisfaction Survey	88.83%	87.98%	88.37%

²⁰ 2022 年末按照性别统计员工的培训时长，因此仅对 2023 年数据作详细披露。

Employee social insurance coverage			
By Gender	2022	2023	2024
	Percentage	Percentage	Percentage
Male	100.00%	100.00%	100.00%
female	100.00%	100.00%	100.00%

Health and Safety

Occupational health management			
Indicators	2022	2023	2024
Number of workers covered by occupational health management system	2,614	2,430	2615
Number of employees in occupational disease risk positions	321	854	882
Number of employees suffering from occupational diseases	0	0	0

Workplace injuries			
Indicators	2022	2023	2024
Number of deaths due to work-related injuries	0	0	0
Percentage of deaths due to work-related injuries	0.00%	0.00%	0.00%
Number of recordable injuries	11	10	11
Rate of recordable injuries (multiplied by 200,000 hours worked) ²¹	0.42	0.41	0.42
Rate of recordable injuries (multiplied by 1,000,000 working hours) ²²	2.10	2.06	2.10
Number of working days lost due to work-related injuries	363	510	485
Percentage of all workplaces that have conducted employee health and safety risk assessments	100.00%	100.00%	100%
Number of penalties imposed for breaches of occupational health and safety laws and regulations (multiplied by 1,000,000 working hours)	0	0	0

²¹ Recordable injury rate = number of recordable injuries/number of hours worked * 200,000.

²² Recordable injury rate = number of recordable injuries/number of hours worked* 1,000,000.

OHS drills and inspections			
Indicators	2022	2023	2024
Safety Emergency Drill	8	12	17
Number of safety training sessions	64	85	109
Safety training hours	640	850	1090
Safety Training Attendance	2,614	2,814	3020
Safety Promotion Activities	12	12	12
Safety planned inspections	24	24	24
Unplanned safety inspections	3	4	5

Occupational health physical examination ²³			
Indicators	2022	2023	2024
Number of employees participating in occupational disease medical examination	321	854	882
Coverage rate of occupational disease medical examination	100.00%	100.00%	100.00%

Supply Chain Management

Supplier			
Indicators	2022	2023	2024
Total number of suppliers	45	48	52

Amount spent by local suppliers ²⁴			
Indicators	2022	2023	2024
Amount spent on procurement from local suppliers (\$ billion)	19	9	11

²³ 2023, due to the increase in the number of production lines, the number of employees involved in occupational health hazards will increase significantly compared to 2022, and the number of people participating in occupational disease medical examinations will increase accordingly.

²⁴ Vendor statistics for 2022 are for all vendors in the country and are of a different calibre than the 2023 statistics, hence the large difference in data.

Supplier basic information			
Indicators	2022	2023	2024
Number of suppliers that have undergone CSR self-assessment	45	48	52
Proportion of suppliers that have undergone CSR self-assessment	100.00%	100.00%	100.00%
Proportion of suppliers that have undergone CSR on-site audits	100.00%	100.00%	100.00%
Proportion of suppliers that have signed a supplier code of conduct	100.00%	100.00%	100.00%
Proportion of suppliers with contracts that include environmental, labour, and ethical issues	100.00%	100.00%	100.00%
Proportion of suppliers that have received training on business ethics	100.00%	100.00%	100.00%
Proportion of suppliers trained in sustainable procurement	100.00%	100.00%	100.00%
Proportion of suppliers that have communicated the Conflict Minerals Statement to their suppliers	40.00%	100.00%	100.00%

Supplier environmental assessment						
Indicators	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Number of new suppliers screened using environmental criteria	0	0.00%	9	100.00%	4	100.00%
Number of suppliers that have conducted self-assessments of environmental impacts	45	100.00%	48	100.00%	52	100.00%
Number of suppliers identified by the company as having actual and potential significant negative environmental impacts	0	0.00%	0	0.00%	0	0.00%
Suppliers identified by the company as having actual and potentially significant negative environmental impacts and agreed to improve after assessment	0	0.00%	0	0.00%	0	0.00%
Suppliers identified by the company as having actual and potential significant negative environmental impacts and who decided to terminate the relationship after assessment	0	0.00%	0	0.00%	0	0.00%

Supplier social assessment						
Indicators	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Number of new suppliers screened using social criteria	0	0.00%	3	100.00%	4	100.00%
Number of suppliers that have carried out social impact assessments since	45	100.00%	48	100.00%	52	100.00%
Number of suppliers identified by the company as having actual and potential significant negative social impacts	0	0.00%	0	0.00%	0	0.00%
Number of suppliers identified by the company as having actual and potential significant negative social impacts that have been assessed and agreed to be improved	0	0.00%	0	0.00%	0	0.00%
Suppliers identified by the company as having actual and potential significant negative social impacts that were assessed and decided to terminate the relationship	0	0.00%	0	0.00%	0	0.00%

Products & Services

Product quality and safety			
Indicators	2022	2023	2024
Number of complaints received about products and services ²⁵	5	5	6
Customer complaint handling rate	100.00%	100.00%	100.00
Incidents in which fines or penalties were imposed for breaches of regulations	0	0	0
Incidents in which warnings were issued for non-compliance	0	0	0
Incidents of violation of voluntary codes	0	0	0

²⁵ The "number of complaints received about products and services" disclosed in the 2023 ESG report included the number of verbal feedback from customers, not all of which were written complaints, and in the 2024 ESG report we have adjusted the data to include the number of formal, written complaints, which is a significant reduction in both numbers.

R&D & Innovation

Indicators	Unit	2022	2023	2024
Investment in R&D expenses	\$10,000,000	9,742	10,634	14065.73
R&D expenses as a proportion of operating income	%	3.53	3.66	5.26
Number of R&D personnel	Number	373	391	369
Percentage of R&D personnel	%	14	15	15.64%

Governance Performance

Anti-Corruption

Training on anti-corruption policies and procedures			
Indicators	2022	2023	2024
Number of training sessions on anti-corruption	1	2	1
Number of employees participating in anti-corruption related training	2,614	2,430	2,615
Total number of hours of anti-corruption training received by employees	4	8	4

Corruption risk assessment

Indicators	2022	2023	2024
Percentage of operating sites for which corruption risk assessments have been conducted ²⁶	100.00%	100.00%	100%

Confirmed incidents of corruption and actions taken

Indicators	2022	2023	2024
Confirmed incidents of corruption	0	0	0

²⁶ 公司于 2022 年开始系统地开展商业道德风险评估，2021 年未收集相关数据。

Compliance Marketing

Breaches involving product and service information and labelling						
Indicators	2022		2023		2024	
	Products	Services	Products	Services	Products	Services
Incidents in which fines or penalties were imposed for breaches of regulations	0	0	0	0	0	0
Incidents in which warnings were issued for breaches	0	0	0	0	0	0
Incidents of violation of voluntary codes	0	0	0	0	0	0

Breaches involving marketing (including advertising, promotion and sponsorship)						
Indicators	2022		2023		2024	
	Products	Services	Products	Services	Products	Services
Incidents in which fines or penalties were imposed for breaches of regulations	0	0	0	0	0	0
Incidents in which warnings were issued for breaches of regulations	0	0	0	0	0	0
Incidents of breach of voluntary codes	0	0	0	0	0	0

Information Security

Information security incidents and corrective actions taken			
Indicators	2022	2023	2024
Number of information security incidents identified	0	0	0
Number of substantiated complaints of breaches of customer privacy and loss of customer data	0	0	0
Total number of incidents of violation of law and order in relation to customer privacy cases	0	0	0

9.2 GRI Content Index

Use Statement:	Junma Steel Cord has referred to the GRI guidelines for the preparation of the report.
GRI 1 used:	GRI 1 Basis 2021.
GRI industry standards used:	There are no applicable industry standards.

GRI Standards	Disclosure Items	Corresponding Chapter
	2-1 Organizational details	1About Us
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	Information is restated in the corresponding section through footnotes
	2-5 External assurance	10Statement of Independent Validation
	2-6 Activities, value chain and other business relationships	1About Us
	2-7 Employees	4.3 Employee Rights and Benefits
	2-9 Governance structure and composition	3.1Governance Structure
	2-11 Chairman of the highest governance body	3.1Governance Structure
	2-12 Role of the Top Governance Unit in Overseeing Impact Management	3.1Governance Structure
	2-13 Responsible Persons for Impact Management	2.1Sustainable Development Management Structure
GRI 2: General Disclosures 2021	2-14 Role of the Top Governance Unit in Sustainability Reporting	2.1Sustainable Development Management Structure
	2-15 Conflicts of interest	3.2 Risk Management and Internal Control
	2-16 Communication of critical concerns	2.2 Stakeholder Engagement
	2-19 Remuneration policies	4.2 Career Management
	2-20 Process to determine remuneration	4.3 Employee Rights and Benefits
	2-22 Statement on sustainable development strategy	2.1Sustainable Development Management Structure
	2-23 Policy commitments	2.1Sustainable Development Management Structure
	2-24 Inclusion of Policy Commitments	2.1Sustainable Development Management Structure
	2-25 Processes to remediate negative impacts	3.2Risk Management and Internal Control

GRI Standards	Disclosure Items	Corresponding Chapter
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	2.2 Stakeholder Engagement
	2-27 Compliance with laws and regulations	3.3 Business Ethics
	2-29 Approach to stakeholder engagement	2.2 Stakeholder Engagement
	2-30 Corporate Agreements	4.3 Employee Rights and Benefits
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.3 Material Topics
	3-2 List of material topics	2.3 Material Topics
	3-3 Management of material topics	2.3 Material Topics
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities	9.1 Key Indicators of Achievement Table
	201-3 Defined benefit plan obligations and other retirement plans	5.5 Responding to Climate Change
	201-3 Defined Benefit Obligations and Other Retirement Plans	4.3 Employee Rights and Benefits
GRI 204: Procurement Practices 2016	204-1 Proportion of Procurement Expenditure from Local Suppliers	6.1 Supply Chain Management
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	3.3 Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	3.3 Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	3.3 Business Ethics
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.3 Business Ethics
GRI 301: Materials 2016	301-1 Materials used by weight or volume	5.3 Resource Management
	301-2 Recycled input materials used	5.3 Resource Management
	301-3 Recycled Products and Their Packaging Materials	5.3 Resource Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.3 Resource Management
	302-3 Energy intensity	5.3 Resource Management
	302-4 Reduction of energy consumption	5.3 Resource Management
	302-5 Reducing Energy Demand for Products and Services	5.3 Resource Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	5.3.3 Water Resources Management
	303-2 Management of water discharge-related impacts	5.3.3 Water Resources Management
	303-3 Water withdrawal	5.3.3 Water Resources Management
	303-4 Water discharge	5.3.3 Water Resources Management
	303-5 Water Consumption	5.3.3 Water Resources Management

GRI Standards	Disclosure Items	Corresponding Chapter
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	5.6 Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	5.6 Biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.4 Management of Greenhouse Gas Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	5.4 Management of Greenhouse Gas Emissions
	305-3 Other indirect (Scope 3) GHG emissions	5.4 Management of Greenhouse Gas Emissions
	305-4 GHG emissions intensity	5.4 Management of Greenhouse Gas Emissions
	305-5 Reduction of GHG emissions	5.4 Management of Greenhouse Gas Emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.4 Management of Greenhouse Gas Emissions
	306-1 Waste generation and significant waste-related impacts	5.2 Emissions and Waste Management
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	5.2 Emissions and Waste Management
	306-3 Waste generated	5.2 Emissions and Waste Management
	306-4 Waste diverted from disposal	5.2 Emissions and Waste Management
	306-5 Waste directed to disposal	5.2 Emissions and Waste Management
	308-1 New suppliers that were screened using environmental criteria	6.1 Supply Chain Management
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain	6.1 Supply Chain Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.3 Employee Rights and Benefits
	401-2 Benefits provided to full-time employees that are not	4.3 Employee Rights and Benefits
	401-3 Parental leave	4.3 Employee Rights and Benefits
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.1 Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident	4.1 Occupational Health and Safety
	403-3 Occupational health services	4.1 Occupational Health and Safety
	403-4 Worker participation, consultation, and communication	4.1 Occupational Health and Safety
	403-5 Worker training on occupational health and safety	4.1 Occupational Health and Safety

GRI Standards	Disclosure Items	Corresponding Chapter
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	4.1 Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Employee Rights and Benefits
	403-8 Workers covered by an occupational health and safety management system	4.3 Employee Rights and Benefits
	403-9 Work-related injuries	4.3 Employee Rights and Benefits
	403-10 Work-related ill health	4.3 Employee Rights and Benefits
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.2 Career Management
	404-2 Programs for upgrading employee skills and transition assistance programs	4.2 Career Management
	404-3 Percentage of employees receiving regular performance and career development reviews	4.2 Career Management
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.3 Employee Rights and Benefits
	405-2 Ratio of basic salary and remuneration of women to men	4.3 Employee Rights and Benefits
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.3 Employee Rights and Benefits
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.1 Supply Chain Management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.1 Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6.1 Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	6.1 Supply Chain Management
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	7.2 Customer Services
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	7.2 Customer Services
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	7.2 Customer Services
	417-2 Incidents of non-compliance concerning product and service information and labeling	7.2 Customer Services
	417-3 Incidents of non-compliance concerning marketing communications	7.2 Customer Services
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	7.2 Customer Services

9.3 United Nations Sustainable Development Goals (SDGs) Benchmarking Index

SDGs	Related Content	Corresponding Chapters
	Goal 1 No poverty	4.3 Employee Rights and Benefits
	Goal 2 Zero Hunger	4.3 Employee Rights and Benefits
	Goal 3 Good health and well-being	4.3 Employee Rights and Benefits
	Goal 4 Quality Education	4.2 Career Management
	Goal 5 Gender Equality	4.3 Employee Rights and Benefits
	Goal 6 Clean water and sanitation	5.3.3 Risk management
	Goal 7 Affordable and clean energy	5.3.2 Energy Management
	Goal 8 Decent work and economic growth	4.3 Employee Rights and Benefits
	Goal 9 Industry, innovation and infrastructure	7.1 Research and Innovation
	Goal 10 Reducing inequality	4.3 Employee Rights and Benefits
	Goal 12 Responsible consumption and production	6.1 Supply Chain Management
	Goal 13 Climate action	5.5 Responding to Climate Change
	Goal 15 Terrestrial Biology	5.6 Biodiversity
	Goal 16 Peace, Justice and Strong Institutions	3.3 Business Ethics

Statement of Independent Validation



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 Steel Cord Co., Ltd (hereinafter "Junma Steel Cord" or "the company") to conduct an independent third-party assurance of 2024 Environmental, Social and Governance Report of Junma Steel Cord (hereinafter "the report" or "ESG report"). The report disclosed its sustainability information for the fiscal year 2024 (1 January 2024 to 31 December 2024).

Responsibilities

Junma Steel Cord is not only responsible for the preparation of ESG 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 the report of Junma Steel Cord. 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 Steel Cord 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 Steel Cord, 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)
- 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 ESG 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 Steel Cord and its content adhere to the AA1000AP AccountAbility Principles.
- Junma Steel Cord has implemented relevant systems or processes to collect and aggregate key performance data related to material issues within the reporting boundary. And the company has assessed materiality issues.
- The sustainability information and performance disclosed in the report have been evaluated and supported by documentary evidence.

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

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

The key stakeholders identified by Junma Steel Cord included government and regulatory agencies, shareholders and investors, customers, employees, suppliers, communities and the public, industry associations, and non-governmental organizations (NGOs) and non-profit organizations. In 2024, the company evaluated material ESG issues based on the analysis results of the stakeholder questionnaire. We recommend that Junma Steel Cord deepen its stakeholder engagement strategy and fully measure the results of stakeholder engagement to help optimize ESG strategies or policies.

Materiality

Based on the analysis of industry development characteristics, peer benchmarking, foreign ESG standards, and stakeholder survey results, Junma Steel Cord has evaluated and prioritized materiality issues, and high-importance issues included but not limited to carbon emission management, innovative research and development, circular economy, supply chain management, occupational health and safety, etc. The company's top management reviewed and approved the results of the assessment of the above materiality issues.

Responsiveness

The channels for Junma Steel Cord to communicate with key stakeholders are diverse, including regulatory inspections, customer service and customer satisfaction surveys, employee training, supplier training and evaluation, whistleblowing and grievance, community welfare projects, etc.

The report disclosed data on the current year's key performance indicators (e.g., greenhouse gas emissions, emissions and waste, energy use, water management, employee employment, health and safety, supply chain, anti-corruption, etc.), and these performance data are historically comparable, with information restated (data corrections due to statistical adjustments to relevant indicator data) for some performance indicators (e.g., water resource performance). In addition, the report disclosed the management of goals and indicators, including target achievement, to appropriately respond to the concerns of its key stakeholders.

**Impact**

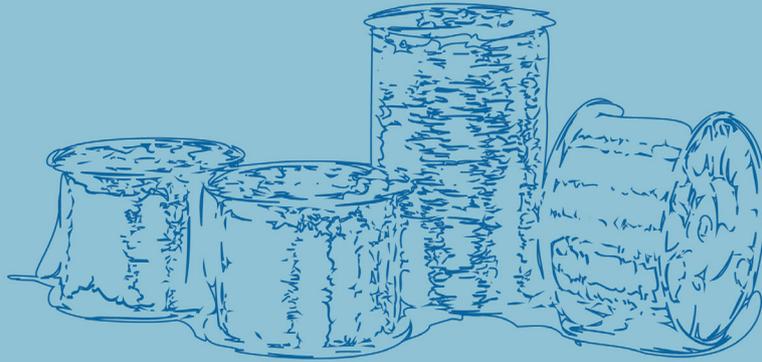
Junma Steel Cord has always paid attention to and implemented risk management in key areas such as environment and climate, occupational health and safety, business ethics, and supply chain, and combined with operation management, compliance management and internal control systems to manage and control related major sustainability risks. Evidence showed that the company is a member of the United Nations Global Compact (UNGC) and continued to respond to the United Nations Sustainable Development Goals (UN SDGs). We recommend that Junma Steel Cord conduct sustainability impact assessments of business operations and value chain scope and manage and monitor sustainability-related impacts.

A handwritten signature in black ink, appearing to read 'Daniel Pan'.

Daniel Pan

Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 4 September 2025





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Junma



Zhangjiagang Junma Steel Cord Co., Ltd.

Tel: 0512-5829 1557(Business Contact Number)

0512-5829 8962(Human Resources Contact Number)

Address: No. 88 Chenghangnonglu South Road, Yangshe Town, Zhangjiagang City, Suzhou, Jiangsu Province