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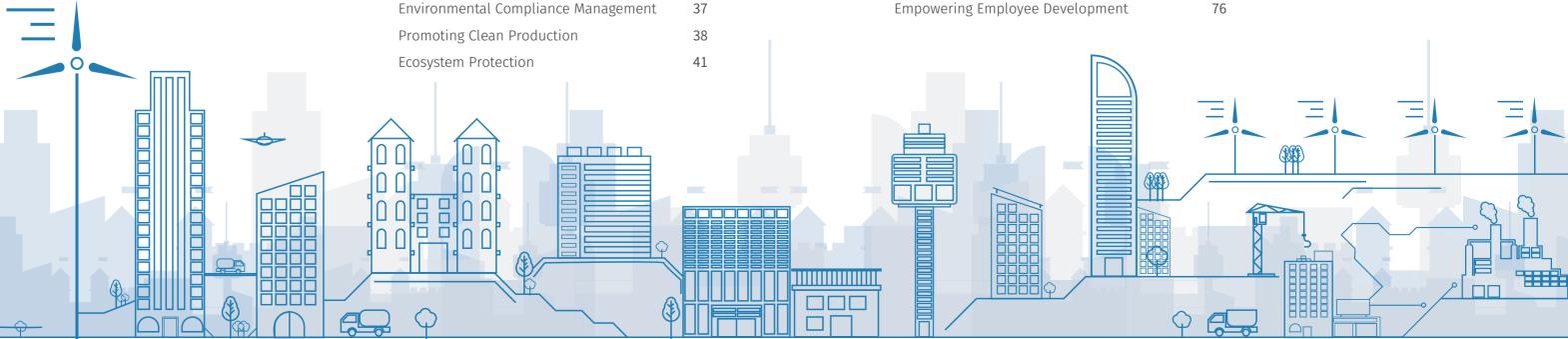
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ABOUT THIS REPORT

This is the 2024 Sustainability Report published by Zhejiang Jiuli Hi-Tech Metals Co., Ltd. This report details the company's sustainable development philosophy and strategy, as well as its efforts in environmental protection, social responsibility, and corporate governance in 2024, aiming to respond to the expectations and needs of stakeholders.

ABBREVIATIONS

For ease of presentation and readability,"Jiuli ", "the Company" and "we" in the report refer to Zhejiang Jiuli Hi-Tech Metals Co., Ltd, "Jiuli Group" refers to Jiuli Group Co., Ltd., and "EBK" refers to EISENBAU KRÄMER GMBH (a overseas subsidiary of Jiuli).

REPORTING PERIOD

This report covers the calendar year from January 1st, 2023 to December 31st, 2023, with some contents extended beyond the above mentioned period for readability.

REPORTING STANDARD

This report is prepared in accordance with the relevant requirements of the Global Sustainability Standards Board (GSSB) Sustainability Reporting Standards(GRI STANDARDS 2021), the Shenzhen Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operations and Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Reporting (Trial) (hereinafter referred to as the "SZSE Guidelines"), and in light of the company's actual situation.

EXPLANATION OF INFORMATION

This report is compiled based on the company's consolidated statistics. Data is sourced from official company documents and statistical reports, as well as specific data provided by relevant functional departments. Unless otherwise specified, the currency in this report is in RMB.

Due to the differences in statistical standards between China and abroad, and to ensure data accuracy and comparability, in Chapter 4 and the key performance tables only headcount and gender statistics for overseas EBK locations are included. Other data items do not currently include information on overseas EBK locations.

REPORT ACCESS

The report is published on annual basis in digital format. It can be downloaded from Juchao Information Network (www.cninfo.com.cn).







To all stakeholders: welcome to our 2024 sustainability report. On behalf of the board of directors of Zhejiang Jiuli Hi-tech Metals Co., Ltd., I would like to thank you for your continued care and support.





In 2024, Jiuli, carrying the mission entrusted by this era, stood bravely at the forefront of industry development. Through the year, all our colleagues worked together with determination and achieved fruitful results. Facing the challenges of development and the test of the times, we have deeply embraced the concept of sustainability, implemented innovation-driven development strategy, and firmly fulfilled our corporate social responsibility, contributing the strength of Jiuli to the realization of social sustainable development.

We continuously improve top-level design to strengthen the foundation of modern governance.

While strengthening risk management and internal control compliance systems, we adhere to business ethics, optimize anti-fraud and reporting mechanisms, deepen integrity education for all employees, and promote the concept of fair competition. The company always follow the leadership of the Party, and intensively promotes five key actions – Ideological Strength, Solid Foundation, Innovation Leadership, Humanistic Well-being, Integrity Culture, achieving a two-way empowerment of Party building and corporate management.

We actively promote green transformation and implement the dual-carbon strategic goals.

With the goal of creating a "zero-carbon factory," we enhance climate resilience, accelerate the optimization of our energy structure, and strengthen environmental compliance management. We implement clean production and green operations, optimize our waste management system, and achieve efficient recycling of water resources in our industrial park. In 2024, the company's cumulative carbon emissions were reduced by 9,864 tons, and the carbon emission intensity was less than 1 ton/10,000 yuan.

Driven by technological innovation, we have forged the industry quality benchmark.

We are actively expanding our scientific research platform, attracting technical talent, breaking through key core technologies, and promoting product intelligence upgrades. We implement full life-cycle quality management, build a strong information security defense line, optimize our service system, and continuously improve customer satisfaction. In 2024, the company's R&D investment reached 360 million yuan. We successfully

developed and delivered corrosion-resistant alloy pipes for the first domestic demonstration unit of environmentally friendly epichlorohydrin, make technical breakthrough in key piping materials manufacturing for new nuclear energy, and obtained 128 effective patents, earning the title of "National Intellectual Property Demonstration Enterprise."

We have built a new landscape for co-development to inject new vigor into social progress.

We adhere to a people-oriented approach, creating a positive ecosystem with employees, suppliers, and the community. Internally, we improve the safety production management system, ensure employees' occupational health, and provide clear career development channels. Externally, we optimize supply chain management, strictly control quality risks, and promote the green transformation of the industrial chain. In the community, we actively participate in public welfare, carry out donations and volunteer services, and promote the harmonious coexistence of business value and social value.

Setting sail on a new journey, it is the right time for hardwork. Looking ahead to 2025, Jiuli will continue to be based on scientific governance, with a green concept as its soul, adhering to the corporate spirit of "pioneering through hardship, winning with quality, and basing ourselves on integrity," and practicing the business philosophy of "Serving customers, contributing to the society, and developing Jiuli." We will work hand-in-hand with all partners, bravely assume social responsibility, and contribute greater strength to promoting sustainable development.

Li Zhengzhou, Chairman, Zhejiang Jiuli Hi-Tech Metals Co., Ltd.



COMPANY PROFILE

Jiuli, the core holding subsidiary of Jiuli Group Co., Ltd., has been committed to quality improvement since its establishment in 1987. In 2009, the company was successfully listed (stock code: 002318), focusing on the R&D and production of stainless steel that are resistant to corrosion, high temperatures, and high pressure and special alloy pipes, wires, bars, pipe fittings, forgings, and other products. This has formed a complete industrial chain covering R&D, smelting, forging, and processing services.

Since 1997, the company has introduced the ISO 9001 quality management system and continuously improved customer satisfaction by ensuring compliance with customer, legal, and regulatory requirements. Currently, the company has passed ISO 9001 quality assurance, ISO 14001 environmental management, ISO 45001 occupational health and safety management systems, Civil Nuclear Safety Equipment Manufacturing License, ASME nuclear power certification, special equipment manufacturing license for pressure pipelines and components, API-5LC/5CT/5LD/5CRA certification, major classification society certifications, and the TUV (PED/AD - W2000) EU Pressure Equipment Directive certification, etc.

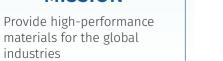
Through the development journey, Jiuli Group has successively won the National May 1st Labor Award, been ranked among the top 500 private enterprises in China, the top 500 manufacturing enterprises in China, named a national supply chain innovation and application demonstration enterprise, and established a postdoctoral research workstation and other honors. At the same time, as the core business unit of Jiuli Group, the company has also been honored as a high-tech enterprise, a single-item champion enterprise in manufacturing, a national technology innovation demonstration enterprise, a national intellectual property demonstration enterprise, a green factory, a Zhejiang Provincial People's Government Quality Award winner, a key enterprise research institute in Zhejiang Province, and a key academician workstation in Zhejiang Province, among other national and provincial honors.

Relying on more than 30 years of precision manufacturing experience and innovative R&D capabilities, the company has become a qualified supplier for large enterprises such as Sinopec, PetroChina, and CNOOC, thanks to its product quality, customer service, and innovation capabilities. It is also actively expanding its international market, with products sold to more than 70 countries and regions worldwide, and has established long-term cooperative relationships with Fortune 500 companies such as Saudi Aramco, Shell, BP, and TotalEnergies.

Based in China and with a global perspective, the company will continue to adhere to the enterprise spirit of "working hard, winning by quality, being trustworthy" and the business philosophy of "serving customers, contributing to the society, and developing the company", and implement the development concept of innovation, coordination, greenness, openness and sharing with "intelligent and green manufacturing" as the means to promote transformation and upgrading and to provide high-performance materials for global industries.

CORPORATE CULTURE







SPIRIT

Working hard, winning by quality, being trustworthy



PHILOSOPHY

Serving customers, contributing to the society, and developing Jiuli

ACHIEVEMENTS AND HONORS



2024 TOP 500 PRIVATE ENTERPRISES IN CHINA JIULI GROUP





































2024 Wuxing District
"Talent-Strong Enterprise"
Top 10

JIULI

SUSTAINABILITY MANAGEMENT

Jiuli is committed to integrating sustainable development into all aspects and processes of its business operations. By continuously reducing risks, improving operational efficiency, and enhancing its own sustainability capabilities, the company actively contributes to the harmonious development of society and the environment.

SUSTAINABILITY GOVERNANCE

Adhering to the business philosophy of "Serving customers, contributing to the society, and developing Jiuli," Jiuli integrates the concepts of sustainable development and Environmental, Social, and Governance (ESG) into all areas and processes of its business operation. Currently, the company is progressively building and improving its ESG management framework, incorporating it into strategy planning and daily operations. The Board of Directors is responsible for initiating and setting medium- to long-term ESG strategic goals, ensuring high alignment with the company's overall strategy. Meanwhile, the company has an ESG working group, composed of representatives from relevant departments, responsible for internal ESG matters, performance data collection and management, and other daily management tasks. Furthermore, the Board's office is responsible for coordinating the ESG practices of various business departments, ensuring that all tasks are carried out as planned.

IN 2024

- O During the annual meeting, the Board of Directors has listened to the report on ESG strategy implementation.
- One ESG-related training session was held for members of the Board of Directors.



What's ESG and its development trends



Disclosure analysis on Preliminary proposals for Jiuli ESG



discussion points and report outline



Action plans

ESG TRAINING CONTENT FOR BOARD MEMBERS

SUSTAINABILITY STRATEGY

Jiuli deeply integrates its sustainability strategy into core strategy such as investment decisions and risk management, systemically advancing in the three major areas of environment, society, and governance. Before making major decisions, the company thoroughly assesses the potential environmental impact of new projects or business expansions, including carbon emission levels and resource use efficiency. In risk management, it comprehensively considers environmental risks like energy price fluctuations, social risks like human rights issues, and governance risks like corruption and conflicts of interest, to ensure compliant operations and protect the corporate reputation.

ENVIRONMENT

The company sets phased targets for carbon emissions reduction and increases the proportion of renewable energy use, including investing in clean technology projects such as solar and energy storage. At the same time, the company implements measures to improve energy efficiency, optimizes operational processes to reduce resource consumption, and actively promotes water resource and waste management to minimize environmental impact.



SOCIAL

The company continuously improves employee welfare, ensuring a safe, diverse, and fair working environment. It has implemented employee skill training and career development plans, actively fostering a diverse and inclusive atmosphere. At the same time, the company continues to strengthen supply chain management to ensure suppliers meet ESG standards.



GOVERNANCE

The company is committed to enhancing transparency and accountability, establishing a clear governance structure, and ensuring compliant operations. Through regular reports and information disclosure, it maintains transparent communication with stakeholders.



DOUBLE MATERIALITY ASSESSMENT ON CRITICAL BUSINESS MATTERS

In order to identify and manage issues with significant impacts on the economy, environment, society, and finance, while meeting regulatory requirements, Jiuli conducts double materiality assessment on critical business matters. This effectively enhances strategic decision-making capabilities, increases stakeholder trust, and promotes the company's sustainable development.

In 2024, the company conducted a double materiality analysis of its identified sustainability-related issues using questionnaire surveys and quantitative assessments based on the requirements of the Shenzhen Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Reporting (Trial) and international standards like the GRI Standards 2021.

1) UNDERSTANDING COMPANY ACTIVITIES AND BUSINESS CONTEXT

Develop deep understanding of the Guidelines published by Shenzhen Stock Exchange, while also referencing other domestic and international sustainability standards and policies. Further analyze the company's business operations, products, services, value chain, and industry conditions to understand its sustainability context.

2ESTABLISH SUBJECT MATTERS •

Update last year's subject matter lists and conduct impact, opportunity & risk assessment based on the consideration of the company's current situation, stakeholder demands, policy/regulatory requirements and industry trends analysis.

3ASSESSMENT AND FINALIZATION •

From the perspectives of "Impact Materiality" and "Financial Materiality," conduct quantitative assessment and ranking of sustainability issues based on stakeholder survey results.

IMPACT MATERIALITY ASSESSMENT:Invite internal and external experts and stakeholders to assess the impact of each issue on the economy, society, and environment from multiple dimensions, including scale of impact, scope of impact, probability of occurrence, and irremediability.

FINANCIAL MATERIALITY ASSESSMENT:Invite the Board of Directors, Board of Supervisors, senior management, finance-related personnel, and internal/external experts to assess the financial materiality of each issue from multiple time horizons¹, focusing on the likelihood of impact and the degree of financial impact.

4 REVIEW AND REPORTING

Company's Board of Directors and internal/external experts will conduct a final review and confirmation. This forms the basis for the double materiality issue matrix and serves as a crucial foundation for the company's ESG management actions.

STAKEHOLDER COMMUNICATION

Jiuli highly values the needs and expectations of various stakeholders, including government bodies, shareholders, customers, employees, suppliers, the environment, industry partners, universities, and communities. By creating economic, social, and environmental value, we contribute to sustainable development. The company maintains transparent channels to actively respond to stakeholder expectations and demands, continuously improving communication mechanisms and enhancing information exchange efficiency.

STAKE	HOLDER GROUP	KEY MATTERS	COMMUNICATION CHANNELS
	Government & Regulators	 Corporate Governance Business Ethics Risk Management Environmental Compliance Climate Change 	 Information Disclosure Visits, Surveys, Meetings Research & Implementation of Policies Daily Communication & Reporting
	Shareholders & Investors	Corporate Governance Risk Management Business Ethics Climate Change	•Shareholder Meetings •Site Visits •Press Releases & Announcements •Business Result Announcement •Roadshows
	Customers	Customer Service Product Quality & Safety R&D and Innovation	•Customer Hotlines •Customer Satisfaction Surveys •Official Media Platforms
	Employees	Occupational Health & Safety Employee Rights & Benefits Employee Hiring & Development	•Grievance and Whistleblowing Service •General and Functional Training •Phone Calls & Emails •Employee Satisfaction Surveys •Work Meetings
	Suppliers	Supply Chain Management Product Quality & Safety Industry Cooperation & Development	•Supplier Qualification Audits •Supplier Meetings
	Environment	Environmental Compliance Climate Change Energy Management Waste Management Water Resource Management Biodiversity Protection Green Operations	 Implementing Energy Saving Policies Forums & Meetings Environmental Data Collection & Disclosure Green Public Welfare Activities
	Industry Partners, Universities, R&D Institutions	•Industry Cooperation & Development •R&D and Innovation P•roduct Quality & Safety	•Forums & Meetings •R&D Cooperation •Industry-university-research collaboration
	Community & NGOs	Public Charity Environmental Compliance Climate Change	•Site Visits •Community Service & Activities

¹ THE COMPANY DEFINES TIME HORIZONS AS SHORT-TERM (UP TO 1 YEAR), MEDIUM-TERM (1 TO 5 YEARS), AND LONG-TERM (OVER 5 YEARS).

SUBJECT MATTERLIST AND IMPACTS, RISKS, AND OPPORTUNITIES ANALYSIS

To meet regulatory requirements and stakeholder demands, Jiuli strictly following the Shenzhen Stock Exchange Guidelines, and taking in consideration its business operations, products, services, value chain, and industry conditions, has updated its list of sustainability-related issues from previous years. In 2024, the company identified 19 sustainability-related issues, including 7 environmental issues, 9 social issues, and 3 governance issues. The company also conducted a preliminary identification and analysis of the impacts, risks, and opportunities for each issue shown in the table below.

DIME NSION	ISSUE NAME	SCOPE OF IMPACT	TIME HORIZON	POS ITI VE	NEG ATIVE IMP ACT	RISK	OPP ORU NITY	CORRESPONDING SZSE GUIDELINE ISSUE ²	CORRESPONDING REPORT CHAPTER
	Environmental Compliance	Own Operations	Short- Medium-Long	✓		✓	✓	Environmental Compliance	
	Climate Change	Own Operations, Value Chain & Community	Medium -Long	✓	✓	✓	✓	Climate Change	
	Energy Management	Own Operations & Upstream Value Chain	Medium -Long	√	✓	✓	✓	Energy Use	
inviro	Water Resource Management	Own Operations & Community	Medium -Long	✓	✓	✓	✓	Water Resource Use	Low Carbon and
Environment	Waste Management	Own Operations, Value Chain & Community	Short- Medium-Long	✓		✓	✓	Pollutant Emissions, Waste Treatment, Circular Economy	Low-Carbon and Environmental Protection
	Biodiversity Protection	Own Operations, Value Chain & Community	Long	✓	✓	✓	✓	Ecosystem and Biodiversity Protection	
	Green Operations	Own Operations	Short- Medium-Long	✓			✓	Climate Change, Energy Use, Water Use, Circular Economy	
	Occupational Health & Safety	Own Operations	Short- Medium-Long	✓		✓	✓	Employee	
	Employee Rights & Interests	Own Operations	Short- Medium-Long	✓		✓	✓	Employee	Safe Operations, Empowering Employees
	Employee Employment & Development	Own Operations	Medium -Long	✓	✓	✓	✓	Employee	Limptoyees
So	Customer Service	Own Operations & Downstream Value Chain	Short- Medium-Long	✓	✓	✓	✓	Product & Service Safety/ Quality, Data Security & Customer Privacy	Uphold Quality,
Social	R&D Innovation	Own Operations	Medium -Long	✓	✓	✓	✓	Innovation	Lead with Innová- tion
	Product Quality & Safety	Own Operations & Downstream Value Chain	Short- Medium-Long	✓	✓	✓	✓	Product & Service Safety/Quality	
	Supply Chain Management	Own Operations & Upstream Value Chain	Medium -Long	✓	✓	✓	✓	Supply Chain Security, Due Diligence	Chanad Danasa:
	Industry Cooperation & Dev.	Own Operations & Downstream Value Chain	Long	✓		✓	✓	Social Contribution	Shared Responsi- bility, Pooling Forces
	IPublic Charity	Community	Long	✓			✓	Social Contribution	
_	Corporate Governance	Own Operations	Medium -Long	✓	✓	✓	✓	Stakeholder Communication	Sustainability Management, Sound Governance, Building Solid Foundation for Development
Governance	Risk Management	Own Operations & Downstream Value Chain	Medium -Long	✓	✓	✓	✓	Due Diligence	Sound Governance, Building Solid Foundation for Development, Assume social responsibility for positive impact
nance	Business Ethics	Own Operations & Downstream Value Chain	Short -Medium	✓	✓	✓	✓	Anti-bribery & Anti-corruption, Anti-unfair Competition	Sound Governance, Building Solid Foundation for Development

² The company actively responds to government calls and fulfills its social responsibilities with Jiuli Group as a unified entity. For more information on rural revitalization and social contributions, please visit the official website of Jiuli Group (www.jiuligroup.com). The company is not engaged in research or development in sensitive areas of scientific and technological ethics such as life sciences or artificial intelligence, and therefore does not disclose related information. As of the end of 2024, the company's accounts payable (including notes payable) do not exceed 30 billion yuan and do not exceed 50% of total assets, therefore information regarding equal treatment of small and medium-sized enterprises is not disclosed.

ASSESSMENT RESULTS

Through quantitative assessment and ranking of sustainability-related issues, the results of Jiuli 2024 double materiality assessment are shown in the matrix below. 5 issues were identified as having both financial and impact materiality, 1 issue with only financial materiality, and 9 issues with only impact materiality.



For its 2024 ESG report, Jiuli strictly follows the Shenzhen Stock Exchange Guidelines. For the financially material sustainability issues such as Product Quality & Safety, Occupational Health & Safety, Climate Change, R&D Innovation, Supply Chain Management, and Corporate Governance, the company has deeply investigated stakeholder demands and expectations, comprehensively identified the "Governance - Strategy - Impact, Risk & Opportunity Management - Indicators & Goals," and presents them in a four-pillar format.



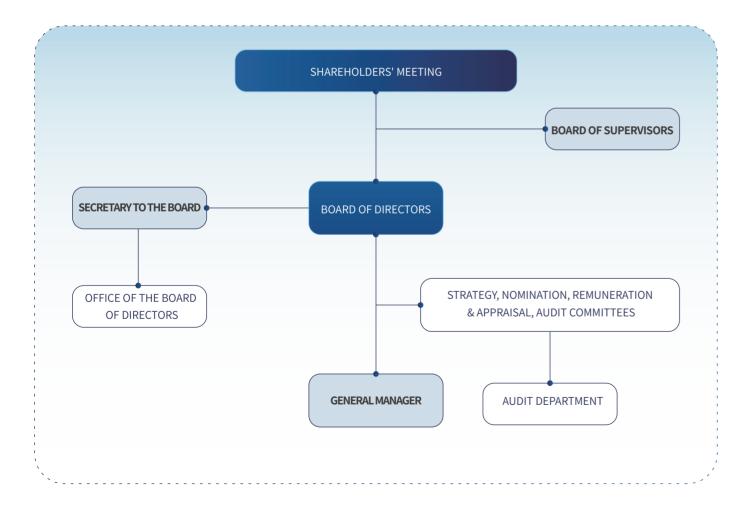
STRENGTHENING CORPORATE GOVERNANCE

Jiuli complies with laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Governance Standards for Listed Companies, as well as normative documents like the Shenzhen Stock Exchange Self-Regulatory Guidance for Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies. It has formulated the Articles of Association, established a standardized corporate governance structure and rules of procedure, and formed a system with scientifically effective division of duties and supervision and power balancing mechanism, thereby continuously ensuring the company's stable governance.



GOVERNANCE

The company has established a governance structure comprising the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and the management team. The Shareholders' Meeting is the decision-making body, the Board of Directors is the executive body, and the Board of Supervisors exercises supervisory power. The Shareholders' Meeting is the highest authority in the company, composed of all shareholders, and is responsible for deliberating on major issues such as the company's annual financial budget and final accounting plans, major investments, and major guarantees. The Board of Directors is the company's decision-making body, accountable to the Shareholders' Meeting, responsible for executing its resolutions and reporting on its work. The Board of Directors has established a Strategy Committee, a Nomination Committee, a Remuneration and Appraisal Committee, and an Audit Committee, which operate in accordance with their respective detailed implementation rules to provide professional advice and recommendations for the Board's decisions.





STRATEGY

The domestic and international economic environments are undergoing complex and frequent changes, the industrial stainless steel tube industry is facing a profound structural transformation. Robust corporate governance is particularly crucial under this environment. It is not only the solid cornerstone of sustainable development but also provides assurance on enterprises ' effective respond to market changes and sound decision making. We are well aware of this, and therefore, we will make scientific and efficient construction of the Board of Directors a strategic goal, dedicating ourselves to perfecting the Board's core role in long-term development strategy building and risk prevention.

The company place high importance on standardize the selection and performance management of its Board of Directors. We establishing and continue to refine the incentive and restraint mechanisms to ensure that board members can lead the company towards its established goals with a high sense of responsibility and professional competence. At the same time, we deeply integrate risk management and compliance internal control requirements into our business processes, building a comprehensive, whole-system risk prevention and control mechanism to ensure that every operational management decision is traceable, thereby enhancing the quality and effectiveness of decision-making.

In terms of information disclosure, we adhere to the principles of truthfulness and accuracy, continuously expanding disclosure formats, increasing transparency, and strengthening investor relations management to build and maintain investor confidence. The company strictly adheres to the business ethics, practicing self-discipline and self-reflection, and is committed to fostering a clean and upright business ecosystem.

During the reporting period, we upheld the principle of comprehensive risk management, closely followed changes in the external environment and our own operational realities, systematically assessed risk factors and development opportunities in the field of corporate governance, and formulated targeted response measures. Through the standardized "Three Meeting" structures (Shareholders' Meeting, Board of Directors, and Board of Supervisors), We have strengthened risk identification and control, and Improved compliance and internal control mechanisms. This ensures that the business management is lawful, compliant, its assets are safe and complete, and its disclosed information is truthful and accurate, providing solid support for the realization of the corporate governance strategic goals.

Impact Type	Impact Description	Countermeasures
RISK	O If the governance structure, operational processes, anti-fraud supervision, and risk management are not well established and not standardized, it may lower the quality of corporate decision-making, increase reputational loss risk and operational management costs, and further lead to missed market opportunities and damage to long-term shareholder value.	O Establish an independent, diverse, and professional governance structure. Strengthen functional supervision and link remuneration to performance. Establish a corporate risk identification, assessment, and warning mechanism. Strictly object commercial bribery, corruption, unfair competition, and other acts that undermine business ethics. Enhance information disclosure and transparency.
OPPORTUNITY	O Integrating the concept of sustainable development into the company's strategy to drive long-term value creation. Engaging stakeholders in corporate governance, improving the internal governance structure, and ensuring diverse backgrounds, professional performance, and independent decision-making.	O Establish a communication platform for stakeholders to collect suggestions and opinions on corporate governance and enhance the long-term sustainable value. At the same time, promote diversity in gender, background, and skills in board nominations. Establish an inclusive decision-making mechanism to adapt quickly to market changes and conduct regular organizational efficiency assessments through performance appraisals.

20



IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

Standardizing the Governance with the "Three Meetings"

BOARD OF DIRECTORS



through research, and candidates are widely sought through multiple channels. Subsequently, the qualifications of the candidates are comprehensively reviewed, and their consent for the position is obtained. Finally, a special meeting is held for qualification review, and after a resolution is formed, it is filed and submitted to the Board of Directors for approval.

To ensure the Board of Directors has comprehensive and thorough views in decision making, the company values the board's independency and diversity. During the reporting period, the company had a total of 11 directors, including 4 independent directors, accounting for 36.36%, who participated deeply and provided fair and objective decisions. To ensure the diversity of the board's composition and expression of views, the company measures the diversity of its board from aspects such as gender, age, cultural and educational background, professional experience, and skills. During the reporting period, the board had 2 female directors. Board members possess relevant industry expertise in fields such as materials metallurgy, steel pipe manufacturing, and environmental management, while also having rich management experience in areas like corporate governance, risk management, and quality management.

2024

O BOARD OF DIRECTORS MEETINGS HELD: 7 TIMES O BOARD MEMBER ATTENDANCE RATE: 100%

To improve the remuneration and performance evaluation system for directors, supervisors, and senior management, the company has established and implements the Remuneration Management System. The Nomination, Remuneration, and Appraisal Committee under the Board of Directors is responsible for the performance appraisal of the company's directors and senior management. During the reporting period, the remuneration of the company's directors, supervisors, and senior management was determined according to the company's unified remuneration management system, and the allowance standards for directors and supervisors were approved by a resolution of the Shareholders' Meeting.

2024

O Remuneration Committee Meetings Held: 1 time

BOARD OF SUPERVISORS

Holding responsibility towards all shareholders, the Board of Supervisors diligently performs its functions granted by laws, regulations, and the company. It supervises major corporate matters, related-party transactions, financial status, and the performance of directors and senior management, effectively safeguarding the legal rights and interests of the company and all its shareholders.

O Board of Supervisors Meeting Held: 5 times OMembers of the Board of Supervisors: 3

SHAREHOLDERS' MEETING

O Employee representatives on the Board of Supervisors:

The company strictly follows the provisions and requirements of the Articles of Association and Rules of Procedure for the Shareholders' Meeting to standardize the convening, holding, and voting procedures of the Shareholders' Meeting, treating all shareholders equally. The Shareholders' Meeting exercises its rights and obligations granted by the Company Law of the People's Republic of China and the Articles of Association by law, ensuring that all shareholders, especially small and medium-sized shareholders, are treated equally and can fully exercise their rights. Proposals for discussion matters at the Shareholders' Meeting comply with procedural requirements, and the meetings discuss on the items listed in the meeting notice in sequence.

2024

O Shareholders' Meetings Held: 2 Times

RISK MANAGEMENT

RISK IDENTIFICATION AND ASSESSMENT

To promote the company's sustained, healthy, and stable development and to ensure the business achieve operation objectives, the company has established a dynamic and systematic risk assessment mechanism based on its established development strategy with the consideration of different development stages and business expansion realities. By comprehensively and continuously collecting relevant internal and external information, potential risks are identified in a timely manner, scientific risk analysis is conducted. Based on the assessment results, the company dynamically optimize its countermeasures. This ensures that the risk management is integrated with the development of the company.

RISK MANAGEMENT SYSTEM

The company has established a risk team, led by the manager of the Audit Department. The risk assessment is conducted by people from the company's Finance Department, Legal Affairs Department, and relevant project personnel, which is performed at ad hoc basis. Following the risk assessment, based on the project characteristics, project owner will be assigned, who will be responsible for the risk assessment of the project and providing fair and objective assessment opinions and suggestions.

During the reporting period, the company has continuously refined its risk management system. Relying on the company's Risk Management procedure, it has continued to optimize the "Three Lines of Defense" risk control framework. This further clarifies the roles and responsibilities of the governance, management, and decision-making levels in risk identification, assessment, and response, promoting the institutionalization and normalization of risk management to safeguard the company's stable development.

THE "THREE LINES OF DEFENSE" FOR RISK CONTROL SECOND LINE OF DEFENSE OF DEFENSE All business departments Key performance management departments The Board's Audit Committee and the Audit Department

INTERNAL CONTROL AND COMPLIANCE

The company continuously improves its internal control and compliance management system. The overall internal control system is complete and can adapt to the current management needs. It plays a good management and control role in key areas such as business management, related-party transactions, external guarantees, major investments, use of raised funds, and information disclosure. At the same time, the company has established a sound internal control and supervision mechanism covering all business processes. Relying on tax management and internal control audit functions, it strengthens compliance review and supervision, laying a solid foundation for compliance management.

INTERNAL CONTROL AUDIT

The company has continuously improved its internal control management system by establishing a three-level internal control audit management structure consisting of the Board of Directors, the Audit Committee, and the Audit Department. In terms of routine audits, it regularly conducts self-assessments of various business lines, reports audit progress quarterly, and submits a comprehensive internal audit report at least once a year. In terms of special audits, in 2024, the Audit Department focused on key areas and conducted audits on Customs AEO certification management, material management, factory entry and exit safety management, logistics and transportation management, and project establishment and construction management, and proposed specific management recommendations.



INTERNAL CONTROL EVALUATION

In accordance with policy regulations and supervisory requirements such as the Basic Norms for Enterprise Internal Control and the Shenzhen Stock Exchange Guidelines for Standardized Operation of Listed Companies (Revised in 2020), and in conjunction with the company's management practices, the company has constructed a self-evaluation system for the effectiveness of internal control that covers all levels and departments. Utilizing this system, we have comprehensively evaluated the design and operational status of internal controls as of the end of this reporting period. For issues and potential risks discovered during the process, we have identified corrective measures and the responsible departments and deadlines to ensure that problems are addressed and closed in a timely manner.



The company strictly complies with national tax laws and regulations. We have further revised the company's Tax Management Policy, standardized tax management responsibilities and standards, strengthened the company's various tax management tasks, ensured lawful operation and honest tax payment, and prevented and reduced tax management risks. In 2024, the company was not involved in any tax-related litigation or penalty events.



O From 2015 to 2024, Jiuli Group was consecutively honored as a "Golden Elephant" Enterprise and a Major Taxpayer in Huzhou City.

ANTI-FRAUD MANAGEMENT

Honesty is the foundation of self-establishment, and integrity is the foundation of business success. Jiuli strictly complies with laws and regulations such as the Anti-Monopoly Law of the People's Republic of China, the Supervision Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China. We continuously improve the business ethics system, constantly refines the anti-fraud and whistleblowing mechanisms, strengthen employee integrity education, and promote the concept of fair competition. We strive to create an honest, law-abiding, fair, and transparent business environment, ensuring high-quality development of the enterprise.

ENSURING INTEGRITY ACROSS THE BUSINESS

The company has built an anti-fraud management system composed of Board of Directors ,Management, Audit Department and all employees, where all entities work in synergy to form a tight prevention and control network. The Board of Directors promotes anti-fraud culture within the company and demand the continuous improvement of the internal control mechanism. The management is responsible for establishing the anti-fraud system, setting up convenient and effective whistleblowing channels, and strengthening the ability to identify fraudulent behavior and improve handling process. The Audit Department oversees anti-fraud work as part of their ongoing responsibility. It is responsible for coordinating the investigation of anti-fraud incidents and coordinating involved parties to implement control measures to ensure that problems can be discovered and handled in a timely manner. All employees are expected to adhere to professional ethics. Any suspicious matters should be reported through the compliant channels to jointly create a clean and upright atmosphere within the company.

We are committed to continuously improves its business integrity management system by formulating and implementing the Anti-Fraud and Whistleblowing Policy to comprehensively regulate employee's professional conduct and prevent violations that harm the company's interests and seek personal gain through fraudulent means. In 2024, the company continued to implement internal policies such as the "Regulations on Employee Integrity and Professional Practice" and the "Several Provisions on Civilized and Thrifty Celebration of Happy Events." All employees and related parties are required to sign the "Employee Integrity and Self-Discipline Commitment Letter" and the "Family Assistance in Integrity Commitment Letter for Employees in Important/Key Positions" to strengthen the sense of integrity responsibility in a contractual form. In the annual performance review of employees in key positions and mid-to-high-level management, a special section on integrity and professional practice has been added, and it serves as an important reference for performance appraisal, appointment, promotion, rewards, and discipline. At the same time, the company has further optimized the employee integrity record management system and continued to promote the implementation of the "integrity interview", continuously strengthening the management and improved guidance of employee's business integrity.

In addition, the company places great importance on building integrity awareness and trainings. Through various forms such as organizing the viewing of integrity education films, holding forums, and carrying out themed activities. This helps the employees to embed the concept of integrity into the daily work and life to continuously enhancing the integrity awareness of all staff, so that the culture of integrity is deeply rooted in people's hearts and becomes the intrinsic spiritual driving force for the enterprise's development.



(CONDUCTING BUSINESS INTEGRITY EDUCATION

In February 2024, to further strengthen Party and governance integrity education, the company specially invited Mr. Xu Weiming, President of the Huzhou Economic Crime Investigation and Prevention Association, to give a special lecture. President Xu, citing classic cases, deeply explained the serious consequences of corporate duty-related crimes and the key points for preventing legal risks. He also proposed practical prevention and control suggestions, providing important guidance for the company to promote the construction of a clean culture.





FAIR COMPETITION

The company adheres to the Anti-Unfair Competition Law of the People's Republic of China, conducting business activities based on the principles of voluntariness, equality, fairness, and good faith. It actively maintains a positive market environment of fair competition and firmly opposes any form of unfair competition and monopolistic behavior.



WHISTLEBLOWING PROCEDURE

We hold ourselves to the principle of "no miss to investigate any allegations" and continuously improves the whistleblowing mechanism. Whistleblowers can report in person or anonymously through written correspondence, letters, faxes, face-to-face meetings, phone calls, or emails. Upon receipt, the company will conduct an investigation in accordance with the law and coordinate with relevant departments to ensure fair and efficient handling, with feedback provided within 15 working days. The company strictly treat the whistleblowing information as confidential, effectively protecting the legal rights and interests of whistleblowers and creating a safe and transparent supervisory environment.

WHISTLEBLOWING CHANNELS

Whistleblowing Hotline: 0572-2539110 Email: jbzx@jiuli.com Fax: 0572-2539110 Postal Code: 313028

Whistleblowing Address: Business Integrity Management Committee

1899 Zhongxing Street, Wuxing District, Huzhou City

INVESTOR RELATIONS

We understand the importance of effective communication with investors for the company's development. To this end, the company has established a comprehensive Investor Relations Management Policy to strengthen communication with investors, improve the transparency of information disclosure to effectively protect the legal rights and interests of investors, especially public investors. The company actively presents major matters, development strategies, operating performance, and corporate culture to investors through various methods such as regular and ad-hoc reports, annual report performance briefings, shareholder meetings, the company website, one-on-one communication, telephone consultations, on-site visits and research, analyst meetings, and roadshows. In terms of information disclosure, we adhere to the principles of truthfulness, accuracy, completeness, and timeliness, conducting comprehensive and detailed disclosure of information that can be made public. The company ensures that all disclosed information has undergone rigorous review, not only reflecting the company's current situation but also indicating its future development direction, thereby helping investors to better understand the company and make informed investment decisions.

INVESTOR COMMUNICATION CHANNELS:

O Consultation Hotline:0572-2539041 OConsultation Email: jlgf@jiuli.com

A company's sustainable development is inseparable from the deep concern for and practical protection of investor interests. While pursuing long-term development, we have always considered the interests of investors as paramount importance, making it the fulcrum of our corporate strategy and the direction of our value system. In 2024, on the one hand, the company has conducted share buyback, showing to the market our confidence in the company future. On the other hand, the company formulated an active dividend distribution plan, deciding to distribute a cash dividend of 0.97 yuan (tax included) per share to all shareholders, ensuring that investors can benefit from the company's growth. By building a comprehensive investor return system, the company has achieved an organic combination of capital operations and cash returns.

2024

O TOTAL CASH DIVIDEND TO ALL SHAREHOLDERS (EXCLUDING BUYBACKS): 920,168,522.71 RMB

O TOTAL AMOUNT OF SHARE BUYBACKS AS A FORM OF DIVIDEND: 383,031,025.28 RMB

INDICATORS AND GOALS

The company continuously strengthens its self-regulatory management and enhances the scientific nature of its governance. It has set management goals and achieved certain progress in dimensions such as board construction, risk internal control mechanisms, anti-corruption and integrity, investor communication, and information disclosure, steadily enhancing the effectiveness of its corporate governance.

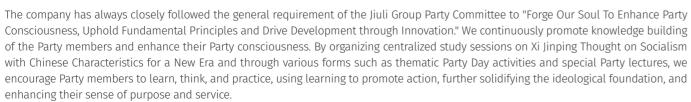
MANAGEMENT GOAL	2024 PROGRESS
Scientific and Efficient Board of Directors Construction	O Directors, supervisors, and senior management must undergo performance appraisals by the Nomination, Remuneration, and Appraisal Committee. Their allowance standards are approved by the Shareholders' Meeting, and their remuneration is uniformly determined by the company's remuneration management policy.
Construction of Risk Assessment and Control Mechanism	Established Risk Management Department . Members include the audit, finance, and legal departments, as well as relevant project personnel, to coordinate the risk assess- ment and control for the entire project lifecycle.
Improvement of Compliance and Internal Control System	The overall internal control system is complete and can meet to the current management needs
Strengthening of Anti-corruption and Integrity Building	O The company has not had any incidents of unfair competition or any public litigation or penalties resulting from corruptions.
Strengthening Investor Communication and Information Disclosure	O Held 1 performance briefing session, received over 200 institutional research visits, received 38 investor questions, and answered 38 questions, with a response rate of 100%.

PARTY BUILDING LEADS DEVELOPMENT

Jiuli Special Material deeply implements the philosophy of "Red does not rust, Steel is toughened by repeated tempers" as our main line of work, anchoring the goal of "Staying committed and enhancing Party consciousness, forging ahead for development". we vigorously promote the "Strengthens the Red Foundation" action, holistically advance five major special actions: Ideological Strength, Solid Foundation, Innovation Leadership, Humanistic Well-being, Integrity Culture, continuously improving the new model of two-way empowerment between Party building and business management.



IDEOLOGICAL STRENGTH





EDUCATIONAL CAMPAIGN IN RESPONSE TO THE CALL FROM THE JIULI GROUP PARTY COMMITTEE

In February 2024, the company actively responded to the call of the Jiuli Group Party Committee, taking "Forge Our Soul To Enhance Party Consciousness, Uphold Fundamental Principles and Drive Development through Innovation," as the theme, and organized the "First Party Lecture" to systematically study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.





SOLID FOUNDATION

The company proactively implements the Jiuli Group Party Committee's responsibility transmission mechanism for Party building. By formulating the "Responsibility Letter for Party Branch Work Assessment," it includes Party building work as part of the business performance review. The company establishes Party member responsibility zones in key areas, and ensures the team stability in key positions. At the same time, the company's Party branches created "Pioneer Party Member Posts" and the "Pairing and Assistance" program to fully leverage the exemplary role of Party members in technical breakthroughs and management optimization, promoting the transformation of organizational advantages into development effectiveness.



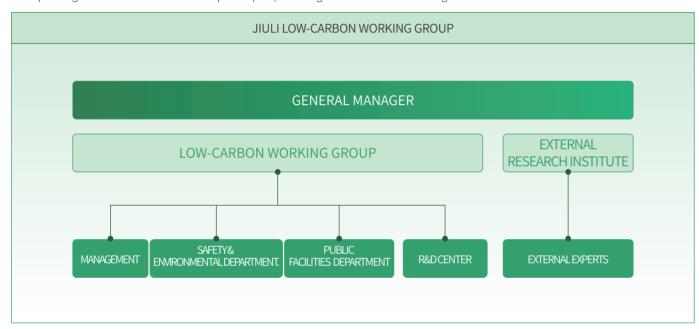


ENHANCING CLIMATE RESILIENCE

In light of the global climate change, we have developed deep understanding of the importance of climate change for strategic planning and business operations. The company actively responds to "Dual Carbon" policy that is strategically deployed national wide by continuously improve its climate risk management system, and constructing a scientifically sound plan and implementation strategy for green and low-carbon development. At the same time, we comprehensively examine the opportunities and challenges brought by climate change, full steam ahead to drive the transition to green and low-carbon operation, and actively responding to the various challenges brought by climate change, with the aim of achieving sustainable development in the new green economic landscape.

GOVERNANCE

The company has established a low-carbon working group directly led by the General Manager, which coordinates various workstreams such as energy conservation and emission reduction, energy optimization, safety and environmental protection, and technology research and development. At the same time, the company collaborates with external research institutions and industry experts to jointly formulate the enterprise's green and low-carbon development plan, ensuring that it is forward-looking and feasible.



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STRATEGY

The company incorporates science based carbon reduction into its core strategy, comprehensively reviewing the list of carbon reduction technologies for the steel industry. The company has developed a low-carbon and energy-saving development plan centered on the core ideas of improving energy efficiency, optimizing energy structure, building a carbon management system, and tracking product carbon footprints. We strive to become the industry benchmark for green development by 2025. By 2030, we aim to achieve the "carbon peak", reduce carbon emission intensity by 2.23% and carbon footprint by 4.07% compared to 2023 and "Net Zero" by carbon offsetting and purchasing green electricity purchasing.



In the light of intensifying global climate change, we pay close attention to the actual and potential impacts of climate change on the production, operations, and value chain. Based on the type of risk and its evolution over time, and in accordance with the actual conditions of its operating locations, we have identified several climate-related risks that may affect the production and operations, and has formulated corresponding mitigation measures. At the same time, we actively seize the opportunities brought by climate change and are gradually building development model that is adaptive to the climate change.

	CLIMATE RISK IDENTIFICATION AND RESPONSE							
	Risk Type	Time Frame	Potential Risk Description	Mitigation Measures				
PHYS	Chronic Risk	Mid- to Long-term	Rising temperatures and sea levels may weaken foundation stability, damaging the infrastructure of the East China coastal plant	Strengthening plant construction standards, formulating emergency plans, reducing risk exposure of produc- tion facilities, and enhance disaster resilience				
PHYSICAL RISK	Acute Risk	Short- to Mid-term	The production base in East China may face severe climate change and extreme weather events such as typhoons and heavy rainfall, which could lead to factory shutdowns, equipment damage, and supply chain disruptions	 Establishing weather forecasting and early warning systems, enabling proactive preparation with reference to meteorological data. Key equipment to be waterproof and moisture-proof; regularly dredge and install new rainwater drainage pipelines Diversify supply chain layout. 				
	Policy & Legal Risk	Mid- to Long-term	With the tightening of carbon emission policies, the EU's Carbon Border Adjust- ment Mechanism (CBAM) is expected to have potential impact for production capacity and exports.	 Set clear emission reduction targets and plans Establish a carbon tariff working group to address the challenges of carbon tariffs on exported products. Continuously carry out product carbon footprint assessments to promote carbon footprint management across the value chain. 				
TRANSI	Technology Risk	Short- to Mid-term	Traditional high-carbon production methods may be restricted, while rapid technological advancements in the industry are expected to intensify pressure on R&D investments.	Focusing on the development of transitional technologies and increase investment in green process R&D, such as ultra-low CO2 emission steelmaking technologies and hydrogen-based steelmaking to proactively position for potential opportunities.				
TRANSITION RISK	Market Risk	Mid- to Long-term	 Market preference for green and low-carbon products may lead to a decline in the competitiveness of traditional products, potentially resulting in the loss of some market share Raw material prices volatility may directly affect production costs 	 Develop green and low-carbon steel products, achieve a reduction in carbon emission intensity in long-process production, and enhance product competitiveness. Establish long-term supply contracts with partners and improve internal inventory management to reduce risks. 				
	Reputation Risk	Mid- to Long-term	Regulatory requirements are becoming increasingly stringent, and various stakeholders are paying more attention to corporate sustainability. If a compa- ny's acts slowly in green transition process, it will face potential risks such as damage to its brand image	Pay close attention to disclosure requirements related to sustainable development and climate change. Ensure compliance and regularly disclosing information and expanding external communication channels on sustainable matters.				

CLIMATE OPPORTUNITY IDENTIFICATION AND RESPONSET							
Opportunity Type	Time Frame	Potential Opportunity Description	Countermeasures				
Policy-Driven Opportunity	Long-term	The "dual carbon" policies favor green factories and low-carbon technological transformation projects. Breaking through international green trade barriers can increase market share in the EU	Keep updated with domestic and international carbon management policies and regulations, comply with relevant regulatory requirements, and strengthen internal management				
Market Opportunity	Mid-term	The value chain favors green, low-car- bon supply partners. Clear market preference for low-carbon products means incremental market opportuni- ties	 Accelerate the R&D of low-carbon product lines such as hydrogen or nuclear power tubes, and actively obtain product carbon footprint certification and/or low-carbon certification Promote the joint construction of a full life-cycle low-carbon management system in the supply chain, prioritizing the procurement of low-carbon raw materials 				
Energy Optimization Opportunity	Mid-term	Promote a circular economy and reduce costs through measures like scrap steel utilization and metal recycling, and increase production efficiency through process improvements and digital energy management	 Phase out high-energy-consumption production technology and equipment, explore traditional energy substitution, and promote intelligent production line construction Develop a circular economy, increase recycled steel content and resource regeneration and reduce raw material energy consumption 				
Technological Innovation Opportunity	Mid-term	The domestic substitution of new materials has become a growth engine, and digital production promotes automation and production efficiency	Strengthen R&D in low-carbon metallurgy and clean energy utilization technologies, focusing on nuclear power and new energy tubes to enhance competitiveness in high-end markets.				

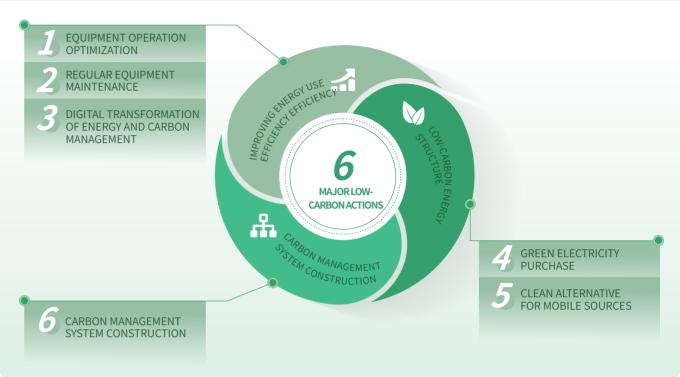
SHORT-TERM THE COMPANY DEFINES TIME HORIZONS AS SHORT-TERM (1 TO 3 YEARS), MEDIUM-TERM (3 TO 5 YEARS), AND LONG-TERM (OVER 5 YEARS).



IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

We grasp the opportunity of the low-carbon transition by systematically formulating six major "low-carbon actions," focusing on three main directions: energy efficiency improvement, energy structure transformation, and strengthening carbon management, all driven by digitalization and clean technology to promote full life-cycle emission reduction. In terms of energy efficiency, we optimize equipment operating parameters, strengthen regular maintenance, and achieve precise energy consumption control through an intelligent carbon management system. In terms of energy structure transformation, we are increasing the proportion of renewable energy sources such as solar and wind power, and implementing clean transformations for transportation vehicles and factory machinery. At the same time, the company is building a comprehensive carbon management system that covers carbon emission accounting, emission reduction target setting, and dynamic monitoring, forming a closed-loop carbon management mechanism from production to operation, systematically promoting the company's green transformation.

JULI'S SIX MAJOR LOW-CARBON ACTIONS



At the same time, we have established a carbon tariff reporting task force to proactively address the challenges brought by global climate change, especially international carbon barriers such as the EU's Carbon Border Adjustment Mechanism (CBAM). The carbon tariff reporting task force is composed of cross-departmental members responsible for compliant reporting for the EU's CBAM, production carbon emission verification and data reporting, product carbon footprint calculation, and report preparation. Additionally, the company has introduced organizational carbon and product carbon management software systems to improve the accuracy and efficiency of carbon emission accounting and to achieve online verification of carbon data, ensuring compliance for international market access.



INDICATORS AND GOALS

To integrate climate change into our development strategy and governance system, we tracks national policy trends and combines them with the business and operational conditions to develop a carbon neutrality roadmap. In 2024, we have made certain progress in emission reduction. In addition, the company has established a regular annual carbon verification plan to improve carbon data management, providing a foundational support for achieving long-term carbon reduction goals.



MANAGEMENT GOAL	2024 PROGRESS
Create a carbon neutrality roadmap to build a "dual carbon" flag factory and lead the industry to transform into a green, and low-carbon operation.	 he company has reduced its cumulative carbon emissions to 82,842 tons through micro management of energy consumption, optimization of production processes, and improvement of equipment efficiency. It has achieved an 11% reduction in greenhouse gas emission intensity through energy conservation, emission reduction, and green transformation. The company has obtained a series of carbon labels. Based on total carbon emissions assessment, the company currently holds a "low-carbon" level label. It has also obtained a level 3 efficiency label, which is considered a medium level
Actively promote Carbon Footprint Verification and regularly compile professional greenhouse gas emission reports	As of the end of 2024, the company has conducted greenhouse gas emission accounting for nine consecutive years. Additionally, the company has established a sound carbon data management system to provide data support for formulating scientific emission reduction strategies.

GREENHOUSE GAS EMISSIONS IN THE LAST THREE YEARS				
INDICATOR	UNIT	2024	2023	2022
Direct (Scope 1) GHG Emissions	TCO ₂ E	22,676	20,248	18,138
Indirect (Scope 2) GHG Emissions	TCO ₂ E	78,227	73,392	64,917
Total GHG Emissions (Scope 1 and 2)	TCO ₂ E	100,903	93,640	83,055
GHG Emission Intensity (Scope 1 and 2) (per unit of operating revenue)	TCO ₂ E/10,000 RMB	0.092	0.109	0.127
GHG Emission Reductions	TCO ₂ E	991.86	996.57	10,294
Carbon Emissions per Unit of Industrial Value Added	TONS / 10,000 RMB	0.41	0.46	0.42

IN 2022, 2023, AND 2024, CHINA'S ELECTRICITY EMISSION FACTORS DECREASED SEQUENTIALLY, AT 0.7035, 0.5703, AND 0.5366 TCO2E/MWH, HE COMPANY'S TOTAL GREENHOUSE GAS EMISSIONS HAVE INCREASED WITH THE GROWTH IN PRODUCTION CAPACITY AND OUTPUT, BUT THE GREENHOUSE GAS EMISSION INTENSITY SHOWS A DOWNWARD TREND DUE TO IMPROVED ENERGY EFFICIENCY AND THE PRODUCTION.

OPTIMIZING ENERGY USE

We continuously optimizes our energy management system by improving the energy management regulatory framework and strengthening intelligent monitoring and management. Relying on energy structure transformation and innovative technological applications, we further progress in energy transition and improve energy efficiency. Build on above, the company sets scientifically sound energy-saving and consumption-reduction targets, promotes industrial upgrading and green transformation, and injects lasting momentum into sustainable development.



S ENERGY MANAGEMENT SYSTEM

The company strictly follows national and industry-related standards, has formulated the Energy Saving and Emission Reduction Management Policy and Energy Management Policy, etc. and has built a clean and efficient energy system. Through promoting renewable energy substitution, improving energy efficiency, and digital management all together, we have significantly reduced the carbon footprint while reducing production costs, continuously driving the green development and environmental friendliness in our operation. During the reporting period, we conducted an energy audit and obtained ISO 50001 Energy Management System certification.



G DEEPENING THE ENERGY TRANSITION

We actively promote the substitution of clean energy use. Through measures such as building rooftop photovoltaic power stations, deploying green hydrogen production and energy storage projects, and bulk buying of green electricity and certificates, it systematically advances clean energy substitution. By the end of 2024, the company has cumulatively used approximately 90 million kWh of green electricity and holds 1,111 green certificates. The proportion of energy from photovoltaics and liquefied natural gas has increased to 15% and 60% respectively. Compared to 2023, the natural gas consumption per ton of steel produced has decreased by 5.0%, and electricity consumption per ton of steel produced has decreased by 2.13%. At the same time, through technological innovation, the company has built multiple all-hydrogen protective atmosphere heat treatment production lines and vacuum heat treatment production lines in its core seamless steel pipe park, significantly increasing the use of clean energy.

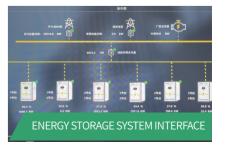




JIULI DEPLOYS PHOTOVOLTAIC POWER STATIONS AND ENERGY STORAGE PROJECTS

Jiuli has built a solar-storage integrated project with a total installed capacity of 19.8 MWh of photovoltaic power stations and a 4MW/8MWh energy storage system. It absorbs and stores excess electricity generated by photovoltaics during the day or electricity from the grid during low-load periods at night, achieving the goal of peak shaving and valley filling. This reduces greenhouse gas emissions, decreases reliance on the municipal grid, and increases the proportion of clean energy. As of December 2024, the total installed capacity of the solar-storage integrated project reached 26 MW, with an annual power generation of approximately 26 million kWh. This has reduced electricity costs by 23%, with photovoltaic power accounting for 15.6% of energy consumption and reducing carbon dioxide emissions by approximately 16,310 tons per year.





We actively conduct energy-saving technological transformations, updating and renovating energy-consuming equipment, and establishing a phase-out mechanism for high-energy-consumption equipment. We have carried out comprehensive transformations on transformers, motors, lighting systems, and special equipment. As of the end of 2024, we have phased out 5 transformers and 119 motors, completed lighting retrofits for about 1,000 lamps, and replaced equipment such as forklifts (from oil to electric). This results in an annual electricity saving of approximately 2.84 million kWh, equivalent to 809 tons of standard coal.

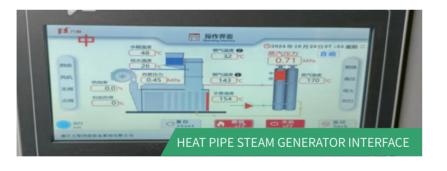






(TECHNICAL UPGRADE TO HEAT PIPE STEAM GENERATORS

In October 2024, due to the shutdown of the Nantaihu Thermal Power Plant, we have purchased high-efficiency natural gas heat pipe machines to replace the traditional coal-fired boilers for steam supply, achieving independent steam production. All emissions meet environmental protection requirements. As of the end of 2024, this technical modification project had produced 19,500 tons of steam.



The company has deployed an intelligent energy management system based on the industrial internet. By constructing a three-level metering network, it achieves fine-grained monitoring of major energy-consuming equipment. This intelligent energy system has functions such as real-time data collection, dynamic energy consumption analysis, and energy efficiency diagnosis. It has enabled precise identification of energy-saving potential through big data analysis, optimization of operational and production plans based on data analysis, and improvement of energy management efficiency, providing a scientific basis for formulating energy-saving plans and strategies.





As of the end of 2024, the company has obtained a series of honors in green development:

- O Since 2018, it has been awarded the title of "Green Factory" by the Ministry of Industry and Information Technology.
- O The solar-storage integrated project was selected as a "2023 Carbon Efficiency Forerunner Case" by the China Association of Industrial Energy Conservation and Clean Production.
- O In 2023, it was awarded the title of "Green Product Design Demonstration Enterprise" by the Ministry of Industry and Information Technology.



ENERGY SAVING TARGETS

We have built clear energy-saving and emission reduction roadmaps and targets that covers the entire life cycle of design, R&D, production, packaging, and sales with the emphasis on promoting strategic measures such as green product design and process R&D, green and environmentally friendly project construction, introduction of advanced energy-saving equipment. We actively promoting energy-saving technological transformations. Guided by the goal of creating a "zero-carbon factory," we aim to achieve the following targets by the end of 2027:

ENERGY SAVING TARGETS

- O Reduce energy consumption per unit of product (industrial value-added) by 13%, from the current 0.15 tons of standard coal per 10,000 RMB to 0.13 tons of standard coal per 10,000 RMB.
- O Reduce raw material consumption per unit of product by 7%, from the current 1.2 tons per ton of output to 1.1 \ tons per ton of output.
- O Increase the proportion of renewable energy use by 10%, from the current 6% to 16%.

ENERGY CONSUMPTION IN THE LAST THREE YEARS					
Item		Unit	2024	2023	2022
	Electricity	10,000 kWh	14,881	12,972	11,400
Energy Consumption	Natural Gas	10,000 m³	1,048	931	827
	Steam	GJ	114,467	99,414	84,773
Industrial Value Added		10,000 RMB	244,678.3	204,938	197,558
Omprehensive Energy Consumption (Equivalent Value)		tons of standard coal	60,252.57	52,742.52	46,379.86
Energy Consumption per Unit of Industrial Value Added		tons of standard coal	0.25	0.26	0.23

ENVIRONMENTAL COMPLIANCE MANAGEMENT

The company strictly complies with the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, and other relevant environmental laws, regulations, and local environmental compliance management systems. We fully adherent to the concepts of green development and ecological civilization, constructing an environmental compliance system to prevent and resolve environmental protection risks.

The company has improved its environmental safety management system, formulating the Compilation of Enterprise Management policy (Safety and Environmental Protection Volume), which includes the Environmental Protection Management policy and the Safety Hazard Investigation and Governance policy. At the same time, based on ISO 14001:2015 Environmental Management Systems - Requirements with Guidance for Use, we have compiled the Environmental, Occupational Health and Safety Management Manual, comprehensively standardizing environmental management activities from the perspectives of management responsibilities, policies and objectives, and risk control. We have established an environmental management responsibility system involving the whole company, building an environmental compliance management structure where General Manager takes full responsibility, actions are cascaded and implemented through each level with full employee participation. As the primary person in charge, the General Manager coordinates environmental strategies and resource allocation. The deputy general manager in charge is responsible for daily execution. The chief engineer provides technical support. Each business unit/plants manages the implementation within their remit. The safety and environmental department provide supervision. Team leaders are responsible for implementing measures on the front line. Each employee is expected to fulfill their responsibilities. This system ensures environmental compliance from decision-making to operation, ultimately achieving the coordinated development of environmental protection and production operations.

We continue to improve the environmental emergency management systems. Based on the implementation of the environmental emergency plan, we conduct a retrospective evaluation of the environmental risks and emergency plan at least once every three years and revises it in a timely manner according to changing circumstances. In February 2025, the Wuxing branch made revisions to the Emergency Plan for Environmental Incidents (V4.0) to ensure that in the event of an environmental emergency, all emergency work can be initiated quickly and executed efficiently and orderly, avoiding and minimizing the damage and harm caused by the incident to the environment. In 2024, the company did not receive any major administrative penalties from environmental authorities or face criminal prosecution for environmental incidents.

ENVIRONMENTAL EMERGENCY RESPONSE MANAGEMENT PLAN			
As the Incident Occurs	When a pollution accident or other environmental emergency occurs, each factory/department should immediately take emergency measures to prevent the accident from escalating, contain the spread of pollution, and reduce or eliminate the impact of the accident.		
Within 2 Hours of an Incident	Within 2 Hours of an Incident Each factory/department shall fill out the "Environmental Accident Report Form" and report it to the company's Safety and Environmental Department and the Head of Business Division. Each factory/department shall actively assist in the investigation and handling. In the event of a major personal injury accident or a major environmental pollution accident, it must be reported to the General Manager and simultaneously reported to the local environmental management department.		
After an Incident Ends	The Safety and Environmental Department will organize a review meeting with relevant personnel to analyze the environmental accident, identify the cause, and propose preventive measures and make decisions to the responsible units and individuals. Fill out the "Environmental Accident Investigation and Handling Report Form" and submit it for approval by the Deputy General Manager of Jiuli The investigation report for major personal injury accidents or major environmental pollution accidents shall be submitted for approval by the General Manager of Jiuli.		



() JIULI CONDUCTS ENVIRONMENTAL EMERGENCY RESCUE DRILL IN RESIDENTIAL AREA

In March 2024, Jiuli Special Materials held an environmental emergency rescue and evacuation drill. This drill simulated a composite environmental event of a water pipe rupture caused by a fire, leading to smoke diffusion. The entire drill was conducted with live-action. On-site safety personnel quickly activated the emergency plan and organized personnel evacuation; firefighters simultaneously carried out fire extinguishing and water leak control; other personnel urgently closed the sewage system to prevent pollutants from escaping; the maintenance team rapidly repaired the damaged pipeline; the rescue team set up clear zone on the smoke diffusion area, removed contaminated materials and equipment to prevent the spread of pollution. After the drill, the surrounding air quality, pH value of surface water, and water quality of rainwater wells were comprehensively tested to ensure environmental safety. This drill effectively tested the ability of multiple departments to coordinate in handling sudden environmental incidents and strengthened employees' awareness of environmental safety and compliance.





ENVIRONMENTAL EMERGENCY RESCUE AND EVACUATION DRILL

PROMOTING CLEAN PRODUCTION

Jiuli is committed to the efficient recycling and utilization of water resources in its production processes to reduce water consumption, while also eliminating water waste at the source. The company has established a full-process pollution prevention and control mechanism, implementing fine-grained control over wastewater, waste gas, solid waste, and other pollutants generated during production. It continuously improves its waste management system to ensure that pollutant emissions meet standards and that waste is disposed of safely and in compliance with regulations.



WATER RESOURCE MANAGEMENT

We place high importance on the sustainable use and management of water resources. In accordance with laws and regulations such as the Water Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Water Pollution, we have established a sound water resource management system. In 2024, a water-saving target was set to reduce the unit product water intake from the current 7.4 tons/ton of output to 6.6 tons/ton of output by 2027, a reduction rate of 10%.

We continuously improve production water efficiency. We have invited industry experts and partner universities such as Zhejiang University and Zhejiang University of Technology to develop plans for water circulation and wastewater utilization. It has successfully improved the cooling circulating water process in the industry park, increasing water resource utilization efficiency and alleviating local water pressure. In 2024, the company's total water intake was 861,601 tons, a decrease of 11,828 tons from 2023. In 2024, the company's water use intensity was 8.4 tons per ton of output, showing a year-on-year decrease in water resource use intensity from 2022 to 2024.

KPI item	Unit	2024	2023	2022
Total Water Consumption	TONS	1,151,126	1,102,500	1,023,800
Water Use Intensity	TONS / TON OF OUTPUT	8.4	8.6	8.8
Total Water Intake	TONS	861,601	873,429	713,543



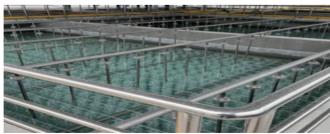
POLLUTION AND WASTE MANAGEMENT

We strictly comply with the provisions on pollutant emissions in laws, regulations, and policy documents such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and the Administrative Measures for the Transfer of Hazardous Wastes. Based on our business nature, we have established a series of waste management policies, including the Solid (Hazardous) Waste Management Policy, Major Hazard Source Management Policy, Hazardous Chemicals Management Policy, Precursor Chemicals Management Policy, to strictly manage each production stage and reduce environmental impact. During the reporting period, all pollutant indicators of the company met emission standards, and there were no major penalties or criminal liabilities for pollutant emissions.

WASTEWATER MANAGEMENT

We strictly implement national and industry standards such as the "Integrated Wastewater Discharge Standard." We emphasize the construction of the wastewater treatment system and strictly implements wastewater reduction measures. In terms of management, there are 4 technicians take shifts to 24 hours monitor the quality of external drainage, ensuring compliance of discharge requirement. In terms of treatment technology, during the pre-treatment stage, wastewater undergoes physical and chemical treatment to reduce heavy metals and COD. In the biochemical treatment stage, a combined process is used, such as oxidative decomposition of organic matter, physicochemical removal of heavy metals, biological decomposition of organic matter, and denitrification and decarbonization, with a COD removal rate of over 90%. In terms of pollution control facility construction, the company has invested 6.98 million RMB to build a degreasing wastewater treatment plant with a daily capacity of 650 tons, which complies with the Level III standard of the Integrated Wastewater Discharge Standard (GB8978-1996). Total nitrogen is strictly controlled according to the Class C standard of the Water Quality Standard for Wastewater Discharged into Urban Sewers (GB/T 31962-2015). At the same time, the company has added remote water quality monitoring equipment and a self-control system to enhance the automated operation and management of the degreasing wastewater station, ensuring that the upgraded degreasing wastewater can be treated independently and achieve stable, compliant discharge.





ACTUAL VIEW OF THE WASTEWATER REDUCTION FACILITY

WASTEWATER REDUCTION ACHIEVEMENTS			
Wastewater Discharge Concentration Indicator	Before Upgrade	After Upgrade	Reduction Rate
PH VALUE	7-9	6-9	≤15%
COD (MG/L)	≤600	≤500	≤16.67%
SS (MG/L)	≤125	≤100	≤20%
PETROLEUM (MG/L)	≪40	≤35	≤12.5%
TOTAL NITROGEN (MG/L)	≤50	≤45	≤10%

EXHAUST GAS MANAGEMENT

We strictly adhere to national standards such as the Integrated Emission Standard of Air Pollutants and implement in depth treatment to industrial exhaust gases. For the exhaust gas generated from the pickling process, it is collected through sealed pipelines and sent to the exhaust gas treatment system. Using SCR technology, it efficiently purifies nitrogen oxides, fluorides, and other exhaust gases. The purified gas is then returned to the gas-to-gas heat exchanger for waste heat recovery and finally discharged through the chimney in compliance with standards. We ask third party to test the fugitive emissions at the plant boundary annually to ensure timely discovery and resolution of potential environmental problems, safeguarding the air quality around the plant and avoiding negative impacts on the health and quality of life of employees and local residents.

	EXHAUST GAS EMISSION LIMIT SETTINGS		
No.	Item	Limit	Unit
1	Pickling Exhaust Gas Volume	5,000	m³/h
2	Exhaust Gas Temperature	40	°C
3	Inlet NOx	5,000	mg/m³
4	Inlet HF	300	mg/m³
5	Outlet NOx (Emission Concentration)	150	mg/m³
6	Outlet Fluoride (Emission Concentration)	6	mg/m³
7	Outlet NOx (Emission Rate)	1.3	kg/h

WASTE MANAGEMENT

We have created the "Solid (Hazardous) Waste Management Policy" to regulate the solid and hazardous waste management processes for ourselves and our subsidiaries, reducing waste generation at the source. At the same time, through ledger-based management and a full-process traceability system, we ensure that information on waste type, quantity, flow, storage, utilization, and disposal is traceable, achieving 100% code-based traceability targets.

We follow the relevant management requirements of the Standard for Pollution Control on the Storage and Landfill of General Industrial Solid Wastes and strictly manage the general solid waste. We actively adopts relevant pollution prevention measures, collecting and storing general solid waste by category, and requires that industrial solid waste not be dumped or piled up arbitrarily, and prohibits mixing industrial solid waste with domestic garbage.

We comprehensively implement standardized hazardous waste management requirement. In terms of storage management, storage zones are set up and isolated based on the category, quantity, and form of hazardous waste. Hazardous waste is labeled and equipped with emergency facilities such as diversion channels and collection pools. In terms of transfer and disposal management, in accordance with the National Hazardous Waste Directory (2021 Edition), electronic manifests will be filled out for the transfer of hazardous waste and qualified third parties are contracted for compliant disposal. At the same time, through regular filing, it ensures the completeness of commissioning procedures and records.

ECOSYSTEM PROTECTION

We care about biodiversity protection, adhering to relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Soil Pollution, the Wildlife Protection Law of the People's Republic of China, the Regulations of the People's Republic of China on Nature Reserves, the Biosafety Law of the People's Republic of China, and policy documents such as the Opinions of the General Office of the State Council on Further Strengthening Biodiversity Protection. We are committed to reducing the negative impact of our business activities on the natural environment.

In the early stage of the project, sensitive areas are avoided through ecological surveys and environmental impact assessments. During the construction and operation phase, full-process ecological monitoring and early warning are implemented. During the reporting period, all of the company's production bases and operating sites were not located in nature reserves or other areas rich in biodiversity, and no significant negative impacts of the company's operating activities, product production, or transportation on biodiversity were found. At the same time, the company extends its environmental protection requirements to its supply chain partners, continuously improving its biodiversity protection system, and is committed to achieving the coordinated development of business operations and ecological protection.



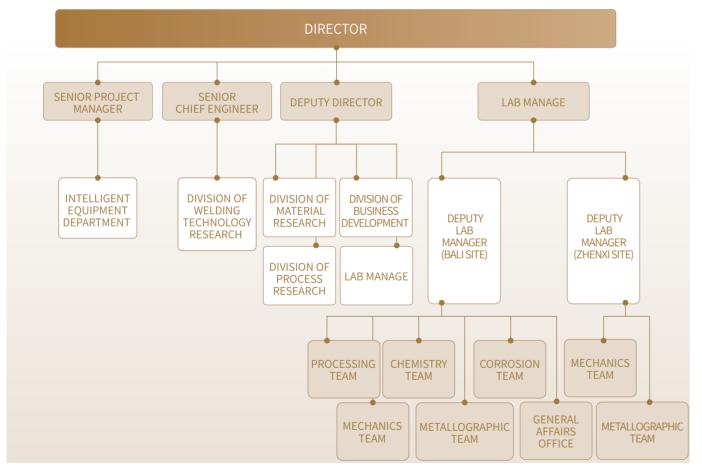
CONTINUOUS R&D AND INNOVATION

Jiuli leads industrial upgrading through technological breakthroughs, strengthen innovation foundation with talent cultivation, playing a critical role in "Pillars of a Great Power" and actively strives for the driving seat in global competition.

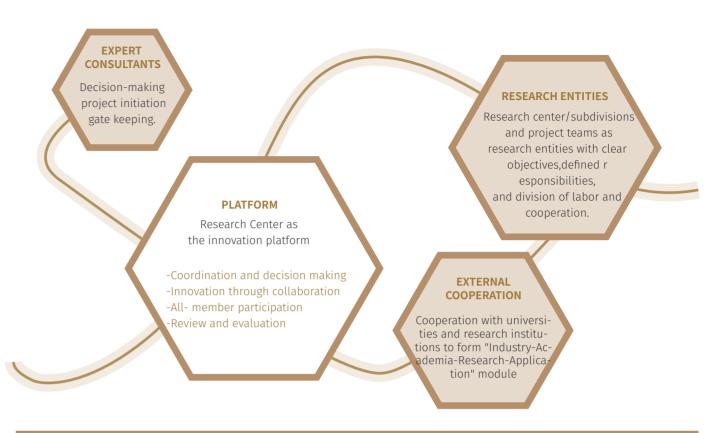


GOVERNANCE

Technological innovation is the cornerstone of Jiuli existence and also a microcosm of Zhejiang's role as a major contributor to the nation's revenue. The company continuously optimizes the organizational structure and functional positioning of its research centre, strengthens the construction of its R&D system, and continues to increase its R&D investment. We have launched and implements internal management systems such as the Management Measures for Scientific Research and Innovation Projects and the Interim Measures for New Product R&D, Sales Management, and Rewards. It standardizes the management of technological innovation projects, clarifies implementation standards and acceptance processes, and established detailed rules for innovative achievements reward, encouraging all employees to actively participate in technological (and managerial) innovation activities, thus providing a strong guarantee for the company's continuous innovation and development. In 2024, with the research center as the innovation platform, we work with expert consultants, research entities, external cooperation, and other forces to comprehensively form a sound, cooperative, and efficient innovation system.



Jiuli Research Center Organizational Chart



Jiuli Scientific Research and Innovation System



Obtain High-tech Enterprise Certificate

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STRATEGY

Jiuli focuses on the research and manufacturing of high-end industrial stainless steel and special alloy materials. We committed to produce long, special, superior and high-end product to serve national strategic needs. We continue to invest in advanced materials R&D, and have broke monopolies to achieve domestic production. This allows us to leap from follower to leader position in the industry, contributing Jiuli's strength to the high-end development of Chinese manufacturing.

We have precisely identified the risks and opportunities in the field of technological innovation and formulated a series of targeted response measures. These strategies have pointed out the development direction for the company, optimized resource allocation, improved the scientific nature of decision-making, and enhanced the company's market competitiveness. On this basis, the company also actively promotes a culture of innovation, injecting inexhaustible momentum into the enterprise's continuous innovation and long-term development.

Impact Type	Description	Countermeasures
5		 Keep an open mind in innovation, continuously advancing in-depth cooperation with universities and research institutions. Introduce high-end talent, build a high-capability innovation team, establish an "Innovation Contribution Award" to stimulate innovative vitality, and promote the company's technological development and sustainable development.
RISK	 If trademarks or patents are not registered in a timely manner, our own rights and interests may not be fully protected. During the R&D process, failure to conduct a thorough search of existing technologies may lead to redundant R&D or the inability to protect R&D results. 	Place a high importance on intellectual property management, actively protect- ing proprietary IP from infringement, respecting the intellectual property of others, and jointly maintaining a good industry competition order.
OPPORTUNITY	© Continuously developing forward-looking products, actively serving major national projects, responding to the development needs for green and low-carbon products, and always being guided by customer needs and closely following market development trends, thereby effectively enhancing market competitiveness.	Actively participate in national "14th Five-Year Plan" projects, national key R&D programs, and Zhejiang Province's "Jianbing Lingyan" key R&D program projects, continuously maintaining a high level of industry standing and innovation vitality.



IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

R&D PLATFORMS AND TALENT

Jiuli has established an Academician and Expert working grop, a Postdoctoral Research working group, and a CNAS-certified laboratory. It has also co-established joint R&D centers with institutions like the University of Leeds in the UK and the Central Iron and Steel Research Institute in Beijing. As of the end of2024, the company's laboratory has integrated platforms for material calculation, microstructural characterization and chemical analysis, high-temperature long-term service performance evaluation, and material corrosion evaluation. It has also established research and development base for advanced welding technology research and pipe forming process development, possessing full-process capabilities for development, manufacturing, inspection, and testing in the field of industrial stainless steel pipes.

JIULI NDUSTRY-UNIVERSITY-RESEARCH COLLABORATION" PLATFORM

- O Collaborate with the University of Leeds (UK), establishing the "Jiuli Corrosion and Integrity Centre" as an overseas R&D institution.
- O Jointly established the Special Stainless Steel and Alloy Material Technology Innovation Center with units like the Central Iron and Steel Research Institute, promoting innovation and leapfrog development with partners.
- Led the establishment of the Yangtze River Delta Ultra-High Purity Stainless Steel Material Innovation Consortium to help realize the domestic production of high-purity and ultra-high-purity stainless steel tubes for high-precision semiconductor equipment.
- © Established industry-university-research collaboration with 44 design institutes, universities, and research institutes, including Tsinghua University, Peking University of Science and Technology, Shanghai Jiao Tong University, Zhejiang University, China Institute of Atomic Energy, and Shanghai Nuclear Engineering Research & Design Institute.

We adheres to the principle that "talent is the primary resource," actively introducing dozens of high-level domestic and overseas talents. We assembled an R&D team led by an CAS Academician, focusing on key areas such as material calculation and characterization, service performance evaluation, and welding technology R&D, to conduct in-depth research cutting-edge technologies. At the same time, the company works closely with universities to implement the "Excellent Engineer Training Program," training over 200 core technical talent on average each year, laying a solid talent foundation for the company's development.



We have established an "Innovation Contribution Award." Through various forms such as R&D achievement commercialization benefits and equity incentives, it fully mobilizes the innovative enthusiasm of the research team, encouraging researchers to be patient not defeated at the developing phase and to devote in research, injecting powerful momentum into technological innovation and long-term development.

2024

- ◎ Internal professional skills training sessions: 23 ◎ External professional skill certifications obtained: 13

PRODUCT TECHNOLOGY BREAKTHROUGHS

Jiuli has always made serving major national projects and substituting imports its core direction for technological innovation, aiming to "replace the industrial arteries with Chinese pipes." In recent years, the company has undertaken or participated in several national key R&D programs and Zhejiang Province's "Jianbing Lingyan" key R&D programs, making progress in R&D work on key subjects such as materials for service in extreme environments and high-quality pipe precision forming.

In the field of advanced energy materials, the company successfully conquered the technology for U-shaped heat transfer tubes for nuclear power steam generators, breaking foreign monopolies and achieving domestic production. The products are used in major national nuclear power brand projects such as "Hualong One," helping our country completely shake off its reliance on imports for this product. In the field of oil and gas transportation, the company has independently developed high-end pipeline products such as duplex stainless steel and nickel-based corrosion-resistant alloys, which are used in major oil and gas projects, contributing to the nation's energy security strategy



We have achieved fruitful scientific research results in 2024, including leading the 2030 National Key Science and Technology Project for oil country tubular goods, completed the domestic development and delivery of C22 for the first 50,000-ton environmentally friendly epichlorohydrin demonstration unit of Sinopec Hunan, and achieved significant results in research projects such as integrated KD component structural materials and evaporator heat transfer tubes. We also completed multiple batches of composition smelting for new welding materials like 9Ni, as well as performance evaluations for deposited metal and welded joints.

2024

- New R&D projects established: 30 Onternational PTP testing projects with satisfactory results: 2

SUCCESSFUL DEVELOPMENT OF HIGH-PRECISION, ULTRA-THIN-WALLED AVIATION TUBES

Jiuli ultilized its advantageous R&D resources to establish a project to tackle high-precision, high-strength stainless steel tubes for aerospace applications. We broke through industry qualification barriers to become a core supplier of key aerospace components. In 2024, We successfully developed a series of high-precision, ultra-thin-walled aviation tube products, contributing to our nation's aerospace industry.



Located in the nation's first green and smart manufacturing pilot demonstration city, we firmly adherent to the concept that "lucid waters and lush mountains are invaluable assets" and translates it into the practice that "green pipes are the green future." We continuously optimize material formulas and performance to provide high-performance metal material solutions for fields such as hydrogen energy storage and transportation, photovoltaics, solar thermal, and thermal power, helping downstream industries reduce emissions and increase efficiency, and promoting the green and sustainable development of the entire value chain. In recent years, the company has participated in the national "14th Five-Year" plan project led by Sinopec. By developing the domestic production technology of Hastelloy N06022 material for tubular epoxidation reactors, we have solved the bottleneck in the domestic design and manufacturing of core reactors for national green and low-carbon special projects, providing certain technical reserves and application experience for related industries.

[Honors]

- Awarded "Industrial Product Green Design Demonstration Enterprise" by the Ministry of Industry and Information Technology of the People's Republic of China.
- © Seamless steel tubes for ultra-low temperature liquid hydrogen containers passed the Zhejiang Provincial New Industrial Product Certification and obtained the 2024 Zhejiang Province First Batch of New Materials Certification.

INTELLIGENT MANUFACTURING TRANSFORMATION

Jiuli vigorously promotes digital construction and automation transformation. It has built the first "5G + Industrial Internet" platform for stainless steel tubes in China, achieving full-process quality traceability, AI optimization of process parameters, and AI detection of surface defects, which has significantly improved production efficiency and product quality.



② Awarded "Intelligent Manufacturing Demonstration Factory" by the Ministry of Industry and Information Technology of the People's Republic of China.

POSITIVE OUTCOMES FROM AUTOMATION TRANSFORMATION

In 2024, the automation transformation of Jiuli workshops and processes delivered significant results, achieving improvements in production efficiency and cost reduction, showcase development fueled by new technology. The company's processing workshop has been relocated and optimized which has resulted in labor intensity reduction and production efficiency increase. Automated the polishing process lead to increase efficiency by 20%. By optimizing the cutting process parameters, it reduced costs by 30%. The automatic hardness testing equipment increased work efficiency by 10% after the upgrade.



INTELLECTUAL PROPERTY MANAGEMENT

To standardize and strengthen intellectual property (IP) management, enhance innovation capabilities and core competitiveness, Jiuli strictly adheres to laws and regulations such as the Patent Law of the People's Republic of China and the Copyright Law of the People's Republic of China. It has formulated internal management policies such as Intellectual Property Management Measures and Management Measures for Scientific Research and Innovation Projects, following the principle of "unified management, full participation, division of labor and cooperation, and process driven." It continuously improves the three-tier IP management structure of "decision-making, management, and execution," clarifying implementation details for IP assessment, searching, retrieval, archiving, contract management, transfer, and protection.

DECISION-MAKING LEVEL

IP WORK LEADING GROUP

Responsible for the review and approval of major matters such as IP work strategic planning, annual plans, systems, budget execution, and reward and punishment schemes.

MANAGEMENT LEVEL

TECHNOLOGY MANAGEMENT DEPARTMENT

Responsible for the comprehensive management and protection of IP; the formulation and implementation of various IP management systems; the establishment and operation of the IP management system.

EXECUTION LEVEL

IP INTERNAL AUDITORS/LI-AISONS Responsible for cooperating with the Technology Management Department on IP management-related work; assisting the Technology Management Department in complying with and implementing relevant laws and regulations; system formulation, and IP reporting tasks

The company has demonstrated excellence performance in intellectual property creation, application, protection, and management. We have developed a high-value patent portfolio and recognized as a National Intellectual Property Demonstration Enterprise and a Zhejiang Provincial Intellectual Property Demonstration Enterprise, and is certified under the Intellectual Property Management System (GB/T 29490). In 2024, the company completed the declaration for the "Case of High-Efficiency Heat Exchange New High-Temperature Alloy Tube Materials Patent commercialization," filed information for patent-intensive products, and submitted excellent case of patent industrialization, thereby obtaining data intellectual property rights from Zhejiang Province.



Certificate: Zhejiang Provincial Intellectual Property Demonstration Enterprise



Certificate: Intellectual Property Management System Certification



Sustainability

Report 2024

INDICATORS AND GOALS

To clarify the direction of scientific research and innovation and enhance market competitiveness, Jiuli has established management goals, focusing on key areas of R&D innovation, precisely allocating resources, accelerating the output of innovative achievements, and ensuring that intellectual property rights are not infringed.

Management Goal	2024 Progress
Continuously enhance R&D capabilities and build a high-quality R&D talent team.	R&D investment amount: 360 million RMBAssembled an R&D team led by CAS academician.
Continuously improve the patent application and layout of proprietary R&D achievements to achieve comprehensive protection of intellectual property in key technology areas.	 Total of 128 effective patents 42 new patent applications, achieving 185% of the annual target 60 new proprietary technology applications, achieving 240% of the annual target

UPHOLDING PRODUCT QUALITY

Jiuli regards quality as a vital part of the enterprise, upholds the corporate spirit of "winning through quality," and strictly controls product quality. Leveraging its robust quality management system and reliable delivery capabilities, the company has successfully earned the trust of its customers, significantly enhanced its own market competitiveness, and promoted high-quality corporate development with outstanding quality.

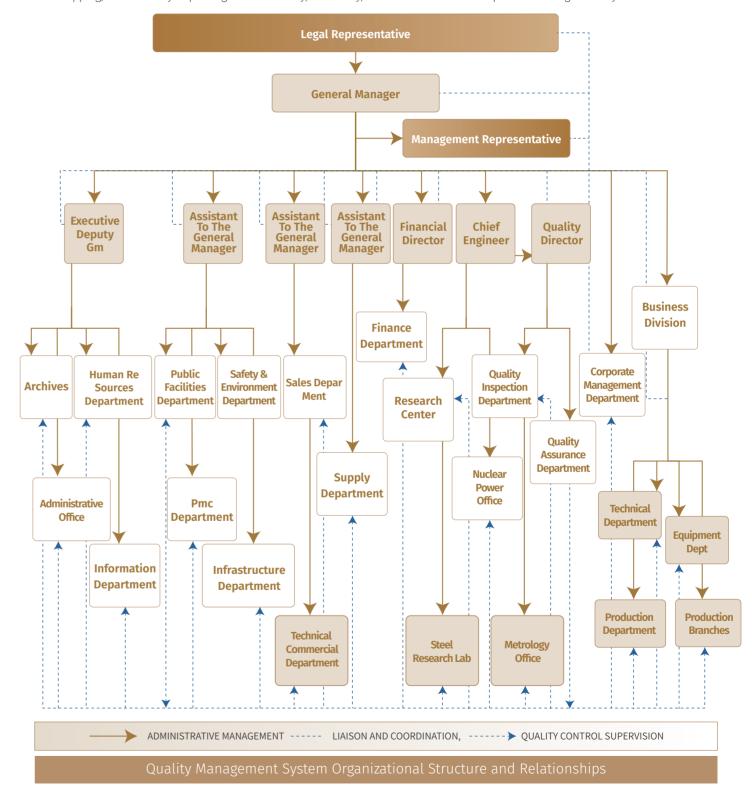


GOVERNANCE

Jiuli strictly complies with laws and regulations such as the "Company Law of the People's Republic of China" and the "Contract Law of the People's Republic of China." It fully implements quality management systems like ISO 9001, AS9100D, and adheres to relevant standard requirements such as TSG 07-2019 "Licensing Rules for Special Equipment Manufacturing and Filling Units." At the same time, we continuously improve product quality and safety management systems, drafting and implementing quality management manuals like the "ISO 9001 Quality Management System Quality Manual," and other quality management manuals, as well as over 40 procedural documents like "Control Procedure for Monitoring and Measurement of Processes and Products," "Control Procedure for Monitoring and Measurement Resources," and "Procurement Control Procedure," hundreds of SOP documents. This comprehensively guarantees the operation of the quality management system and effectively ensures the outstanding quality and safety of its products.



The Chairman, as the primary person responsible for the company's product quality and safety, has "one-vote veto" right to quality and safety, establishes a comprehensive quality and safety management system and implements standardized management to ensure the quality and safety of every process, every link, and every product throughout its entire life cycle. At the same time, each department of the company, based on its own responsibilities and management documents, implements detailed management for various processes such as raw material procurement, inspection, process control, process inspection, finished product acceptance, labelling, and shipping, continuously improving the conformity, suitability, and effectiveness of the product management system.



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STRATEGY

The company deeply embeds the national strategies of "Manufacturing Power" and "Quality Power" and practices the corporate spirit of " working hard, winning by quality, being trustworthy." We strictly abide by laws and regulations, follow industry standards, incorporate quality and safety goals into the core indicators of our development plan, and are committed to realizing the mission of " Provide high-performance materials for the global industries.

To enhance market competitiveness and protect the company's brand image, we accurately identify potential risks and opportunities in the production process, establishes full life-cycle control measures and a series of preventive and improvement mechanisms, and continuously reduces quality and safety risks.

IMPACT TYPE DESCRIPTION COUNTERMEASURES O Implement full life-cycle quality control With the continuous strengthening of for products to cover each steps from raw policy supervision, if product quality and material procurement to post-delivery safety do not meet standards or if many serious problems occur, the company O Improve the product complaint handling may face regulatory penalties, a decline process, strictly managing products with in customer trust, and damage to its potential quality problems and prioritizreputation. ing the resolution of customer needs. O If the company is unclear about market demand, product competition, etc., it may O Regularly conduct quality training to face strategic and operational risks, enhance employees' quality awareness and professional skills. leading to a loss of customer trust and financial losses. O Increase R&D investment. Drive business development from both R&D and sales. With reliable product quality and safety Establish multiple specialized laboratories and outstanding performance that for timely product testing and continuous exceeds industry standards, the company Improvement of product quality. can win a competitive advantage in O Actively adopt quality testing and certifica-Opportunity domestic and international markets, tion testing and certification to ensure which means more development opporproducts meet or even exceed industry tunities. standards.



IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

PRODUCT FULL LIFE-CYCLE QUALITY CONTROL

Jiuli proceeds from four dimensions: "duties in place, documents in place, work in place, and records in place," promoting the implementation of the system in each management department and operation post, with detailed roles and responsibilities. Each Business division, based on its business situation and product specifications, document production operation procedures such as the Extrusion Process Operation Procedures and Cold Working Process Operation Procedures, and adopts a combination of planned inspection, mutual inspection, and random inspection (patrol inspection) to achieve full life-cycle quality control of products.



Jiuli Finished Product Inspection Procedure

QUALITY INSPECTION AND CERTIFICATION

To ensure product quality meets standards and to continuously improve quality stability, the company is equipped with comprehensive inspection equipment, with 4 inspection labs and over 100 inspection items. The inspection center is equipped with internationally advanced instruments such as an electrically cooled gamma-ray spectrometer and a high-temperature creep testing machine. At the same time, the company collaborates with multiple domestic and international laboratories. It has co-established the "Zhejiang Moore-Jiuli Engineering Materials Joint Laboratory" with Xi'an Moore Petroleum Engineering Laboratory and established a metal materials testing cooperative laboratory with TÜV Rheinland Group from Germany, continuously strengthening its technical strength and product quality. In 2024, the company's laboratory will complete the CNAS reassessment and certificate renewal.



PRODUCT DISPUTE RESOLUTION PROCESS

The company has established "Quality Management Policy," "Customer Communication and Satisfaction Measurement Control Procedure," and other quality control procedures. It strictly adhere to product quality management process, clarifying that external quality disputes are solely managed and coordinated by the company's Quality Inspection Department. Relevant personnel such as sales are to communicate with customers in a timely manner, and the Business Division and other related departments will action based on the audit and processing opinions.

Quality Dispute Resolution Process		
1. Receive Information	Receive customer feedback.	
2. Fill out Review Form	Fill out the "Customer Feedback (Complaint) Review Form."	
3. Review outcome	If necessary, visit the site immediately. Respond within 24 hours, provide a reply within 72 hours.	
4.Take Actions	Based on the review outcome, implement recommended actions.	
5.Case Review	Provide feedback on the handling result and have the Quality Assurance Department identify and organize corrective measures, or convert it into an internal experience feedback case.	
6.Case close	In principle, close within one month. Special circumstances require reporting and approval.	

PRODUCT QUALITY TRAINING

In 2024, the company held multiple quality management-related training sessions, covering topics such as process quality issue analysis and summary, quality assurance management, nuclear-grade pipe quality control, equipment maintenance, and metrology, as well as control of hydrostatic pressure, ultrasound, and material delamination defects.



PROCESS QUALITY PROBLEM ANALYSIS AND SUMMARY TRAINING

In March 2024, Jiuli based on the Standard Operating Procedure Guide, organized a hands-on assessment training on process quality issue analysis and summary, with a total of 15 employees participating. During the training, the company focused on analyzing and improving common quality problems, clarifying the functions and responsibilities of each position to ensure they meet job requirements. At the same time, the company compiled statistics on quality losses and implemented corrective measures, thereby continuously enhancing the quality management capabilities and professional skills of its employees.



INDICATORS AND GOALS

The company sets key performance indicators to measure development trends, pays attention to process performance and product service compliance, benchmarks with industry peers and development trends, improves product quality performance, and enhances product competitiveness.

Management Goal	2024 Progress
 Production bases have passed ISO 9001, API Q1, and other quality management system certifications, and continuously improve their quality management level. Product quality is certified by authoritative industry bodies such as NSF and Norsok, ensuring a high level of product quality in the industry. 	 There have been zero recorded incidents of product quality accidents. Holds API Q1 certificate, NADCAP-NDT non-destructive testing certificate, NADCAP-HT heat treatment certificate, NADCAP-MTL laboratory certificate, NADCAP-WLD welding process certificate, UKCA certificate, etc. Products have passed authoritative industry certifications such as NSF and NORSOK.
 Continuously provide high-performance and stable materials Product inspection pass rate: Welded pipe products >98.5%, Seamless pipe products >93%, Pipe fitting products >93%, Nuclear power precision tube products >93.5% 	Most of the company's set product inspection pass rate targets have been achieved, demonstrating good quality control levels. The company has made positive progress in product quality control and still needs to strive to ensure the overall pass rate is comprehensively improved.

OPTIMIZING THE CUSTOMER EXPERIENCE

Jiuli adheres to a customer-demand-oriented approach, continuously optimize its service concepts and models, fully safeguards customer rights and interests, places high importance on customer feedback, and is committed to providing customers with convenient, efficient, and personalized service experiences.



CUSTOMER SERVICE AND RIGHTS

Jiuli puts the customer at the center, continuously optimizing service quality and management efficiency. The company has issued a Sales Management Policy, which details the operational procedures for after-sales services such as service and technical support, complaint handling, customer satisfaction surveys, and product returns, ensuring the entire service process is efficient and standardized, and providing customers with comprehensive and high-quality support.

Jiuli Service Quality Improvement Practices		
Implement Customer Relationship Management (MAS) System	Record and analyze customer profile, provide personalized services, and meet unique needs.	
Regular Meetings and Weekly Reports	Provide timely feedback and guidance to sales staff on issues encountered in their work, prompting them to improve their work methods and thus effectively enhance service quality.	
Utilize Sales Data Analysis Tools	Track market dynamic data and adjust sales strategies in a timely manner to ensure products and services always meet market demand.	
Product Knowledge and Sales Knowledge Training	Provide regular training on product technical parameters and other related knowledge supported by the Otechnical department. At the same time, provide sales training to sales staff.	
Utilize Social Media and Other New Marketing Tools	Increase introduction of participating projects and enhance product visibility in related fields.	

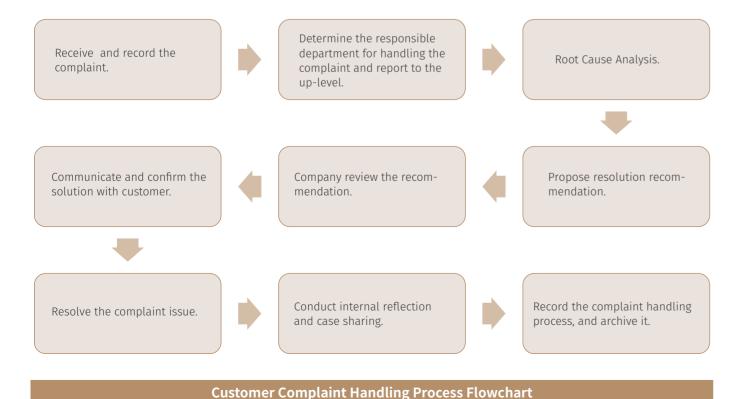
The company develop annual sales strategy based on market dynamics, covering key dimensions such as pricing strategies and sales channel management, to ensure the business activity compliance.

CUSTOMER SATISFACTION

Jiuli continuously improves its product quality and service levels, places great importance on customer feedback, and constantly optimizes the customer experience to enhance customer satisfaction. The company regularly conducts customer satisfaction surveys, using the "Customer Satisfaction Survey Form" to conduct a comprehensive evaluation from five dimensions: product quality, product condition, product cost-effectiveness, delivery time, and overall service. This allows for precise access to customer satisfaction data, which is then used to compile a "Customer Satisfaction Survey Results and Analysis Report." The analysis report details the improvement measure plans and implementation results, ensuring that customer opinions are addressed and rectified. At the same time, the company sends satisfaction surveys to customers quarterly and pays close attention repeat issues in two consecutive customer satisfaction feedbacks, taking practical and effective measures to address them

In 2024, the company collected a total of 309 Customer Satisfaction Survey Forms with customer satisfaction reaching 98.26 points, a year-on-year increase of 0.66 percentage points, achieving the target of customer satisfaction being higher than 96 points. In addition, the company received 39 thank-you letters from domestic and international customers such as Shell, Yantai West Port, and China United Engineering Corporation

Customer complaints are a direct and important channel for the company to address its own product and service issues, which can help the company improve its overall service quality and improve customer relationships. To ensure the openness of the customer complaint channels, the company clarifies the primary responsibilities of each department in handling customer complaints and has developed the "Customer Communication and Satisfaction Measurement Control Procedure" accordingly. This procedure details the customer complaints handling process to resolve them efficiently and properly.



The company provides public complaint hotlines through its official website, after-sales service commitment letters, and other channels to ensure that customers can provide feedback at any time. At the same time, the company clearly stipulates that staff must respond within 24 hours of receiving a customer complaint; for major quality issues, relevant personnel must arrive at the customer's site within 48 hours to handle it (for export products, the specific response time is determined based on communication with the customer).

In 2024, customer feedback received by the company was mainly around product dimensional deviations and surface quality. In response to the above complaints, the company has actively analyzed and investigated the root causes of the problems and taken effective measures to resolve them, avoiding the recurrence of similar incidents.



MAINTAINING INFORMATION SECURITY

Jiuli places great importance on data and network security management, monitoring in real-time to prevent network attacks and data leakage risks. It effectively responds to information system emergencies, ensuring the integrity and confidentiality of data, and providing a solid guarantee for the company's stable development and customer trust.



DATA AND NETWORK SECURITY MANAGEMENT

Jiuli continuously strengthens its data security management, having formulated internal management systems such as the "Information System Management policy" and the "Confidentiality Management System for Information Systems, Information Equipment, and Storage Devices." These policies regulate the security and confidentiality management of the company's information systems, equipment, and storage devices, providing strong support for the sustained development of the company's business. The company stipulates that all service data are backed up will be managed by information department, who will decide on the backup strategy, and dedicated network storage space is set up for synchronous data backup. Based on the importance and retention period of the data, the company sets appropriate backup methods for various types of data, such as network storage backup, mobile storage backup, and optical disc burning backup, with key business data requiring off-site storage. At the same time, the company formulates corresponding backup strategies according to the backup levels of different systems, regularly checks the data backup situation, and promptly handles backup failures.

The company places great importance on customer data and privacy protection, clearly requiring operators to strictly adhere to confidentiality regulations and eliminate the risk of system passwords and data information leakage. The MAS system, as the relationship management system between the company and its customers, undertakes important functions such as collecting, storing, processing, and analyzing customer data. In addition, the company's sales staff are equipped with dedicated sales phone sims, which have a higher level of security protection and can effectively protect user information security during data transmission.



Mas System Safeguard Customer Security		
DATA ENCRYPTION	Customer data is encrypted during storage and transmission. Advanced encryption algorithms are used to convert raw data into ciphertext for storage in the database and for encryption during network transmission, ensuring that even if data is stolen, attackers cannot obtain the plaintext information.	
ACCESS CONTROL	Establish a strict user identity authentication and authorization mechanism. Only authorized employees can access customer data, and their access to data is restricted based on their job responsibilities and permission levels. For example, customer service staff can only view basic customer information and consultation records; data analysts are limited to accessing data relevant to their analysis tasks.	
DATA ANONYMIZATION AND DESENSITIZATION	When processing and analyzing data, sensitive information involving customer privacy is anonymized and desensitized. For example, customer names, ID numbers, and other sensitive information are replaced with anonymous identifiers, and information such as phone numbers and addresses is partially hidden, so that the processed data cannot be used to directly or indirectly identify customer identities.	
SECURITY AUDIT	A comprehensive security audit mechanism is implemented, recording all operations related to customer data in the system, including data access, modification, deletion, etc. Through audit logs, every operation can be traced to the operator, time, location, and specific action, so that in the event of a data breach or other security incident, the problem can be quickly located and corresponding measures can be taken.	

2024

O Customer privacy leakage incidents: 0

To ensure network security, the company requires that networks for different business operations be isolated and partitioned. It allocates reasonable permissions and security policies for devices accessing the company network and adds hardware firewalls or network gateways at key network nodes to ensure network security and reliability and effectively resist unauthorized intrusions. At the same time, the company regularly conducts network security risk assessments to accurately identify potential security hazards and vulnerabilities and promptly takes targeted measures to reduce risks. In addition, the company also regularly organizes training on specific network security risks to improve employees' security awareness and skills, enhancing their ability to identify and respond to common network security threats.



ORGANIZING SPECIAL TRAINING TO ENHANCE NETWORK SECURITY AWARENESS

In January 2025, Jiuli Group invited an external network security expert to hold a Network Security Awareness Training, in which all employees of Jiuli participated. This training, with the goal of "making network security awareness a habit," was dedicated to maximum reducing the risk of corporate and individual network attacks or data breaches, and effectively preventing the occurrence of network security incidents and accidents. The training content covered aspects such as identifying information leakage hazards, the principle of minimal software installation, and identifying and preventing phishing emails, to comprehensively improve employees' network security awareness.





INFORMATION SYSTEM EMERGENCY RESPONSE

To enhance the ability to respond to information security emergencies, the company has developed the Information System Emergency Response Plan, established a prevention and response mechanism, and set up a special coordination group responsible for preventing and handling information system emergencies. The company categorizes information system emergencies into eight types, including network attacks, information sabotage, information content security incidents, network failures, software system failures, catastrophic events, and other incidents. Based on the severity of the impact of the information system interruption, the incident level is divided into four grades: general, major, critical, and catastrophic, and targeted emergency response procedures are created. In addition, the company conducts at least one disaster recovery drill and risk assessment annually, completes data backups on time, and includes backup and recovery technical support clauses in equipment procurement contracts to further improve the level of emergency response and ensure data and information security.

Information System Emergency Prevention and Response Coordination Group				
Command Group	Analyzes the emergency situation, determines the incident level, and directs and coordinates the emergency response actions; supervises the actions of emergency operators and ensures personnel safety.			
Business System Emergency Repair Group	Responsible for resolving faults found in business systems and handling system failure reports from business departments; performs diagnosis, troubleshooting, and recovery of information system failures.			
Infrastructure Emergency Repair Group	Responsible for the configuration of the company's network security protection and timely handling and repair of network security vulnerabilities. Performs daily maintenance and handles abnormal situations for security monitoring, smart park, and other systems.			
Power Supply Group	Ensures power input to the computer room.			
Security Group	Supervises the fire protection facilities in the computer room and ensures on-site safety during emergencies.			



DATA BACKUP AND RECOVERY DRILL

To test the feasibility and effectiveness of the server emergency plan, in October 2024, Jiuli in conjunction with a third party, conducted a backup server recovery drill. The drill aimed to improve the response speed and coordination in dealing with emergency. The drill simulated a file loss scenario on a hyper-converged virtual machine server, and the lost files were recovered by restoring from a backup of the virtual machine server. The drill concluded successfully. The results showed that the total time from restoring the virtual machine server to the complete recovery of the lost files was 2 hours and 48 minutes, and the verification of relevant files on the recovered virtual machine was normal, meeting the target.



Protect Occupational Health

Jiuli considers safety and occupational health of its employees as a bottom line. By establishing a sound occupational health and safety management system, promptly controlling hazards and risk sources, ensuring the safe conduct of production and operation activities, timely eliminating occupational health hazards, and enhancing employees' awareness of occupational health and safety, it builds a solid line of defense for corporate safety.



Governance

The company has established an occupational health and safety management system and has clearly defined various requirements in the HSE Management Manual. The occupational health management system covers 4,509 people, with a coverage rate of 100%. In 2024, the company passed the ISO 45001 occupational health and safety management system certification.

The company advocates that "safety is everyone's responsibility" and has established an occupational health and safety management system headed by the General Manager. It clarifies the responsibilities of management, department heads, safety specialists, and employees, and sign up safety production responsibility commitment at each level. The General Manager is fully responsible for the effectiveness of the management system, the approval and release of the occupational health management policy, ensuring the formulation and implementation of goals, indicators, and management plans, and supporting the establishment and operation of the Health and Safety Committee. The Safety and Environmental Department is responsible for the specific implementation of occupational health and safety management work, composing relevant management documents, carrying out the identification and control of relevant risks and opportunities, and organizing relevant departments to develop goals, indicators, and management plans. The Human Resources Department, by implementing education, training, and communica-



tion at different levels, strengthens the publicity and implementation of occupational health and safety work. Other departments fulfill their respective responsibilities and coordinate with the Safety and Environmental Department to carry out occupational health and safety work.



Strategy

The company adheres to the policy of "safety first, prevention foremost, and comprehensive governance," and insists that "production and safety management must happens hand in hand throughout the entire production process." We improve and strengthen the safety production responsibility system, strictly control and eliminate occupational disease hazards, ensures the normal operation of enterprise production, and protects the health of workers. At the same time, the company conducts annual safety risk identification, establishes a risk control mechanism, and through scientific assessment, levels of control, and continuous improvement, ensures that occupational health and safety are integrated into the company's long-term development strategy, balancing production efficiency with employee well-being.

Impact Type	Impact Description	Countermeasures
Internal Risk	After a fire, explosion, or environmental accident, the emergency plan is not activated effectively.	 Establish and improve the emergency management system, emphasize the construction of the company's internal emergency response team, and conduct regular reviews, training, and drills for emergency plans. Organize team-level environmental emergency and safety training to enhance emergency awareness. Equip with appropriate emergency equipment and conduct regular inspections and checks.
	Spillage or leakage of chemicals during product filling, loading, or transportation.	 Provide corresponding training to operators. Personnel handling hazardous chemicals must be certified; filling and loading should be done according to the SOP. Conduct daily supervision and inspection or random checks.

Impact Type	Impact Description	Countermeasures
Internal Risk	Heavy machinery failure leading to production interruption or personal injury.	 Establish a full life-cycle equipment management system, and conduct regular preventive maintenance and key component inspections Introduce intelligent monitoring systems (e.g., vibration analysis, temperature sensors) to monitor equipment operating status in real-time. Implement lock-out/tag-out (LOTO) procedures to ensure safety during maintenance operations.
	Improper storage of hazardous chemicals causing chemical reactions or leaks.	 Implement classified storage for chemicals (e.g., isolating flammable and oxidizing substances), and configure spill containment pallets and ventilation systems. Use electronic tags (RFID) to manage hazardous chemical inventory and monitor storage conditions (temperature, humidity, pressure) in real-time. Regularly conduct chemical compatibility assessments and emergency drills.
	Maloperation of automated equipment or program vulnerabilities causing safety incidents.	 Conduct functional safety certification (e.g., SIL level assessment) for automation systems Install redundant control and emergency stop devices, and conduct regular logic safety tests. Operators must undergo special training for the Human-Machine Interface (HMI) and be certified to operate.
External Risk	Potential safety risks during on-site construc- tion activities by external contractors.	 Select legally qualified suppliers, collecting their business licenses, relevant engineering construction qualification certificates, safety production licenses, etc. Provide training to the contractors, complete the training record form, safety notification letter, and external personnel safety education test. During construction, issue work permits as required and arrange for dedicated personnel for supervision and inspection.
	Accidents during the transportation of chemicals, potentially causing chemical spills.	 Material supplier should be contracted for material delivery. Their vehicles and logistics transporter must comply with national chemical transportation requirements. The supplier requires transportation personnel to operate safely during transportation, establish an emergency mechanism, and immediately activate emergency response plans in case of an accident.
	Increasingly strict occupational health management. Preventing occupational disease from happening.	 Establish a sound occupational health management system, standardize daily management, and fulfill all compliance obligations Strengthen daily training and education, inspections, and hazard investigation, and make timely corrections for continuous improvement Ensure proper operation of on-site occupational hygiene equipment, monitor equipment operation through inspections, and conduct annual regular equipment maintenance to prevent occupational disease accidents Distribute PPE in a timely manner Equip with appropriate emergency supplies and conduct regular inspections and maintenance.

Impact Type	Impact Description	Countermeasures
External Risk	Supply chain may be interrupted, leading to a shortage of chemical raw materials.	 Establish a diversified supplier base and sign long-term supply agreements with core suppliers. Maintain a safety stock of key raw materials and regularly assess supply chain resilience.
	Upgrades in environmental regulations may lead to non-compliant emissions.	 Proactively deploy advanced waste gas/wastewater treatment technologies (such as high-efficiency denitrification technology Conduct third party compliance audits to ensure conformity with the "Guiding Principles for the Investigation and Governance of Safety Risks in Hazardous Chemical Enterprises."
	Extreme weather (e.g., heavy rain, high temperatures) may affect the transportation and storage of hazardous chemicals.	 Establish a warning and coordination mechanism with meteorological departments and formulate emergency plans for extreme weather Equip transport vehicles with GPS and temperature/humidity monitoring, providing real-time feedback to the dispatch center.
Opportunity	Increased awareness among management and the general workforce. Improved safety protec- tion equipment. Introduction of new environmental manage- ment technologies and concepts.	 Conduct training and publicity on all relevant safety laws, regulations, and requirements for all employees Regularly organize professional personnel to attend international and domestic technical exchange conferences and exhibitions for new processes and equipment. Rely on the research center to develop new processes.
	The Industrial Internet enhances safety manage-ment efficiency.	 Build a safety production information platform, integrating risk monitoring, hazard investigation, and emergency command functions. Apply digital twin technology to simulate high-risk work scenarios and optimize emergency plans.
	The Industrial Internet enhances safety manage-ment efficiency.	 Cooperate with scientific research institutions to develop low-toxicity, biodegradable alternative chemicals Apply for government subsidies for green manufacturing special projects to reduce the cost of technological upgrades.
	National promotion of the deep integration of intelligent manufacturing and safe production.	 Apply for intelligent factory/digital workshop demonstration projects to strive for policy and financial support Introduce AI visual recognition systems to automatically capture unsafe behaviors (e.g., not wearing PPE).
	Increased customer demand for ESG (Environ- mental, Social, Governance) performance.	 Enhance market competitiveness through ISO 45001 and ISO 14001 system certifications. Regularly publish ESG reports to disclose occupational health and safety performance.



Impact, Risk, and Opportunity Management

Risk and Opportunity Management Procedure

Each department, based on the company's internal and external environmental factors, the needs and expectations of interested parties, as well as the results of hazard identification and legal and regulatory compliance requirements, preliminarily analyzes and assesses the risks and opportunities within its department. The Safety and Environmental Department collates the risks and opportunities reported by each department, organizes relevant personnel from each department to conduct an assessment, and determines the risks and opportunities. For the determined risks and opportunities, the Safety and Environmental Department specifically implements the Risk and Opportunity Control Procedure.

At the same time, the company develop the Safety Risk Hierarchy of Control, using hierarchy of control measures to control risks, determines the risk level based on the probability and severity of potential accident types, forms a risk list, and determines risk control measures.

Emergency Management

The company has created the Emergency Preparedness and Response Control Procedure and the Production Safety Accident Emergency Plan. It has established a hierarchical of control emergency response management system based on the hazard level of potential accidents and has developed specific emergency plans for potential accident types, which are regularly tested to ensure a rapid response and management in emergency situation. The company has established an emergency command center responsible for organizing and commanding emergency rescue work. It also defines the duties of each department and relevant personnel, and sets out rules for information reporting, early warning, emergency response, rescue, post-incident handling, and emergency support after an accident, ensuring the efficient implementation of emergency management work. The company regularly revises these documents and conducts emergency drills to enhance its emergency management capabilities.

In 2024, the company organized a total of two emergency drills and assisted the sub-production sites in conducting 14 emergency drills, promptly addressing and correcting any issues.

Accident Hazard Investigation

The company has created the "Accident Hazard Investigation and Governance Management Policy." Based on the governance principles of "area owner owns the responsibility" and "all employees engagement, all-round, and ongoing," it conducts hazard investigations through a combination of regular and irregular checks, as well as specialized and comprehensive investigations. It investigates hazards in areas such as the implementation of the safety production responsibility policy, the implementation of laws and regulations, the provision of emergency supplies and the formulation and drilling of emergency plans, the maintenance of facilities and equipment, the management of hazardous operations, and the provision of labor protection equipment and safety education and training, and carries out timely rectification.

In 2024, the company conducted investigations into work-related accidents that occurred during production, analyzed the causes of the accidents, and hold responsible individuals accountable as stated in the safety production responsibility policy. After an accident, the company carries out actions for rectification, provides safety education to employees to improve their safety protection awareness, and improves potentially hazardous work processes and environments to prevent similar accidents from recurring. It strengthens the on-site hazard investigation for similar positions and promptly rectifies any discovered hazards. It also improves safety operation training, which is updated with the finding from the hazard investigation.

Work Safety Management

Through the development of Work Safety Management Policy, Work Safety Responsibility System, Contractor Management Policy, and Special Operations Management Policy. Jiuli has established management systems for work safety responsibility, work safety education, work safety inspection, and PPE management. All engineering projects must be reviewed and approved from work safety, fire protection and occupational health 's perspective. At the same time, the company carries out work safety education and campaign to improve the safety awareness of all employees, strengthen accident management to eliminate accident hazards and address on-site management and infrastructure construction to ensure the safety of production operations. The company has obtained the Huzhou City Safe Production Standardization Certification. In 2024, the company completed the construction of a micro fire station and introduced water-swellable bags to enhance its fire emergency capabili-



Occupational Health Protection

The company keeps improving employee occupational health and hygiene management level. An occupational health management file system was created with a 100% filing rate. Each role is equipped with an occupational hazard notification board, and AED defibrillators are installed in public areas throughout the company. At the same time, it strengthens the management of employees and third-party labor, ensuring that proper personal protective equipment is used. Regular and ad hoc inspections for occupational health hazard are conducted monthly. Occupational disease prevention measures (such as for dust, noise, and chemical management) are implemented and regular health monitoring and psychological support are provided.

In 2024, the company conducted safety campaign among several of its subsidiaries on occupational disease hazard detection and occupational hazard assessments. It organized examinations of working stations expose to hazards, and occupational health examinations for 1,158 general workers, 115 polishing laborers. Through cross-checks, 1,721 hazards were identified, with a 100% rectification rate.



2024

 \odot Incidence rate of occupational disease: $oldsymbol{0}$

Occupational Health and Safety Training

The company has established the Safety Education and Training Policy, conducting tiered safety training (such as new employee induction, special training for high-risk operations). It launches "Safety Month" campaign, and carries out occupational health and safety training that includes practical driving training, cardiopulmonary resuscitation (CPR) training, emergency rescue, and working-at-heights training. In 2024, the company built a driving training base and conducted ground-operated driving training for a total of 382 people. Additionally, the company also held "Safety Month" and "Fire Safety Month" activities, inviting the fire brigade to provide training to the team leaders, and workshop manager, enhancing the fire safety awareness of front-line personnel.

2024

- ⊙ Total hours of occupational health and safety training: 54,326 hours
- \odot Average hours of occupational health and safety training per person: ${f 10}$ hours or more
- In 2024, the company continued to strengthen safety education,

with a safety education coverage rate of 99%



Jiuli Invites Wuxing District Fire Rescue Brigade for Fire Emergency Knowledge Training

In November 2024, Jiuli held a National Fire Safety Awareness Month event, inviting the Wuxing District Fire Rescue Brigade to conduct fire emergency knowledge training. A total of more than 110 team leaders from different production sites have participated in this training. During the training, instructors from the Wuxing District Fire Rescue Brigade, combining case studies of fire incidents from recent years, detail explained fire emergency rescue knowledge and the use of emergency fire station equipment. Through on-site demonstrations, employees learned the skills of using fire equipment, further enhancing their fire prevention awareness and ability to handle fire emergencies, and fostering a culture of "Everyone owns fire safety and Life is the top priority."



Indicators and Goals

The company's main goal for occupational health and safety is to "eliminate safety hazards, promote work safety, and ensure safety in production." At the same time, we have set clear management goals such as accident rates, injury and fatality rates, and equipment integrity rates, to protect the life and health of employees, improve safety management levels, and eliminate accidents and occupational diseases.

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Management Goal	2024 Progress	
 Reduce hazards, regularly distribute protective equipment. Emergency facility provision rate: 99% Protective equipment integrity rate: 100% Annual inspection rate for special equipment: 100% Equipment normal operation rate: 95% 	 Work injury insurance and safety production liability insurance investment amount: 5.747 million RMB Coverage rate for work injury insurance and safety production liability insurance: 100% 	
 Reduce accident occurrence rate. Zero major accidents causing death or injury. Zero fire and explosion accidents. Minor injury accident rate <5% 	 Work-related deaths: 0 Recordable work injuries: 2 people Recordable work injury rate: 0.04% Lost workdays due to work injury: 37 days 	

Protecting Employee Rights and Interests

Jiuli always stick to a people-oriented development philosophy and guarantees the legitimate rights and interests of its employees. The company strictly follows a fair and just recruitment process, creates a safe, fair, and respectful working environment, opposes all forms of discrimination and forced labor. Work contracts are signed in accordance with the law, and effectively protects the employees' right. At the same time, the company has established a competitive salary and benefits system, providing security and care to the employees. The company also cares for the physical and mental health and career growth of employees, promoting the construction of a diverse, equal, and inclusive corporate culture, and achieving the common progress of employees and the enterprise.

Employment Compliance

We comply with laws and regulations such as the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, and Employment Promotion Law of the People's Republic of China. we have formulated measures such as the Human Resources Management Policy and Employee Recruitment and Employment Guidance, signing and performing labor contracts in accordance with the law. The company has clear and standardized employment procedures. During the recruitment process, background check are conducted as specified in the guidance, and the identity documents of newly hired employees are strictly reviewed. If false information is found, the labor contract can be terminated. The company resolutely prohibits the use of child labor and forced labor. In 2024, the company had no incidents of using child labor or forced labor, no labor arbitration cases throughout the year, and no major employee complaints.



Diversity and Equality

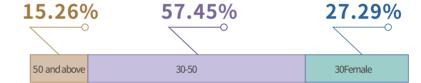
The company adheres to the principle of "recruiting on merit, combining ability with integrity, and making the best use of talent." It has built a recruitment system that is open, fair, and just. We ensure that in processes such as talent recruitment, training and development, performance management, and salary and promotion, there is no discrimination based on gender, age, ethnicity, birth place, religious belief, physical condition, or other factors. The company advocates for a diverse and inclusive corporate culture, respecting differences and embracing diversity, encouraging employees from different backgrounds and with different perspectives to work together and stimulate team innovation and vitality. At the same time, Jiuli thoroughly implements the spirit of the document issued by the General Office of the State Council, Action Plan for Promoting the Employment of Persons with Disabilities (2022-2024). Focusing on equal employment opportunities for disadvantage groups, increases efforts to recruit persons with disabilities, and provides employment positions for those of working age who have the desire and ability to work.

2024

- ⊙ Total number of employees (including BK company): 4,509
- Employee Gender distribution (including BK)



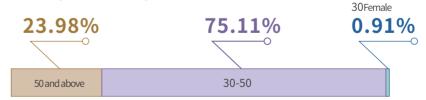
• Employee Age Distribution



- \odot Mid-level and above management personnel (e.g., managers, department heads): 221
- Management Level Gender Distribution



Management level Age Distribution



- Employees from ethnic minorities such as Yi, Miao, and Tujia:
- Foreign employees: 1
 Discrimination incidents: 0

The company respects employees' freedom of association and democratic management rights, striving to protect their legitimate rights and interests. In 2024, the company held 3 employee representative congresses with a total of over 300 participants. The employee representatives reviewed and passed motives such as the "Collective Contract," "Wage Agreement" (draft), and special working hour approval policies.



Remuneration and Benefits

In terms of salary, benefits, and social security, the company has formulated regulatory documents such as the Regulations on Employee Participation in Urban Employee Basic Medical Insurance, Regulations on Employee Housing Provident Fund Management, and Remuneration Management System. This ensures equal pay for equal work and the payment of five social insurances and one housing fund. It also implements various remuneration models such as an annual salary system, a performance-based salary system, a piece-rate payment system, and a contract-based wage system according to different job positions. The company also adjusts the overall salary level in a timely manner based on annual business performance to ensure that the remuneration system is both externally competitive and internally aligned with job characteristics. In terms of working hours, the company adopts standard eight-hour workday policy, and at the same time, implements a comprehensive working hour system based on production characteristics and actual needs. In 2024, the company paid employee wages and social insurance on time, with a total welfare expenditure of 81.6273 million RMB.



Employee Care

The company has always adhered to a "people-oriented" management philosophy, placing high importance on the physical and mental health and comprehensive development of its employees. We are committed to creating a warm and caring work environment. In 2024, the company continued to improve its employee care mechanism, actively assisting 15 employees in difficulty. Through organizing women's health check-ups and providing fitness facilities, we provide physical and mental health to the employees, gives special care and attention to female employees, and creates a harmonious, positive, and inclusive corporate atmosphere, enhancing employee satisfaction and happiness.

2024

Conducted Employee Satisfaction Survey in November 2024

Surveyed **3,385** people

Participation rate: 98.35%

Overall employee satisfaction rate: 97.57%

An increase of 1.57% compared to 2023.



"Hercules Cup" Tug-of-War Competition

In 2024, Jiuli organized the fourth "Hercules Cup" tug-of-war competition. In the final, the JCO factory team won the runner-up, and the large welded pipe factory team won the "Hercules Cup" championship for the second consecutive year in production division. The tug-of-war competition was not only a contest of strength but also a showcase of the company's team spirit and cohesiveness. It also added color to the employees' lives outside of work.





March 8th Goddess Day" Event

In March 2024, the Jiuli Group Labor Union held a "Uniting Hearts - Spicy Goddess, Passion fo Life" event for International Women's Day. We have organized varies activities, including "guess the song" mini-game, "She Power, She Defines" inspirational story sharing session, and "Cake DIY". The event has successfully encouraged sharing and celebration among the female employees.







"High-school graduate visit & Appreciation to Parents" Event

In 2024, Jiuli Group, along with its employees and their children who had taken the college entrance exam, joined the seventh " High-school graduate visit & Appreciation to Parents" event. The employees' children visited the Jiuli exhibition center, experienced the Jiuli spirit, and were deeply inspired. The parents and children strengthened their bonding through completing craft projects together. This event is not only a recognition and reward for the hard work of the employees but also where we express our sincere expectation and best wishes to the young talents who are about to start the next chapter of their life.



Retired Employees Event

On September 27, 2024, Jiuli Group held a retirement appreciation meeting to sincerely appreciate the employees who honorably retired in the third quarter. The company took portraits for each retired employee to preserve their best moments at Jiuli. They also visited the Jiuli exhibition center together, looking back to Jiuli's 37-year development history. The company expressed its most sincere gratitude and blessings to each retired employee, wishing them a happy, fulfilling, and healthy retirement.



Empowering Employee Development

"Those who govern the world value talent, and those who cultivate the world's talent value education." Jiuli has always regarded talent as the most precious resource of the enterprise, making the cultivation and development of talent a key pillar of our corporate strategy. The company adheres to the talent philosophy of "building the business with talent, prioritizing both integrity and ability, and making the best use of talent." We continue to focus on key areas such as optimizing the organizational structure, expanding career pathways, and talent development. By improving the talent management as a whole, including talent cultivation, deployment, and retention, it creates a positive culture that respects talent and encourages growth, continuously consolidating the intellectual foundation and talent support for the high-quality development of the enterprise.

Talent Attraction

The company attracts talent through various channels such as campus recruitment and social recruitment. At the same time, the company also focuses on work with university research institutions to create an open and collaborative innovation ecosystem. The company has established close cooperative relationships with universities such as Beijing University of Science and Technology and Zhejiang University of Technology, forming a virtuous cycle through close industry-university-research collaboration, injecting continuous momentum into the high-quality development of the enterprise.

2024

- ⊙ Total new employees: 629
- \odot New full-time employees with a bachelor's degree or above: 142

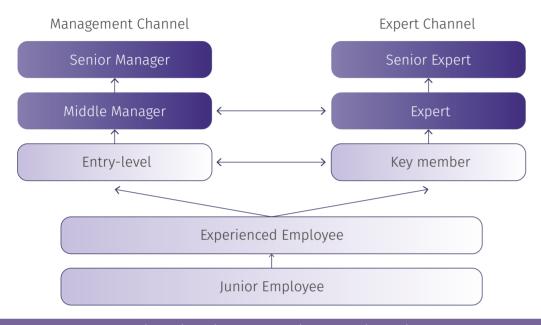






Job System Construction

In terms of career path development, the company has continued its "dual-channel" management system where the administrative management channel and the technical channel are interconnected. Furthermore, the company has carried out individual talent cultivation plans for four work streams including production, technology, administration, and marketing. This not only promotes the implementation of the career development channel system but also lays an important foundation for employees to have a clear career development direction and promotion path.



Y-shaped Dual Career Development Channels

Dual-Channel Mechanism:

- Technical Talent: The company cultivates their professional skills to enhance their competitiveness in specific sub-fields.
- Management Talent: The company encourages them to leverage their professional strengths, provides a development platform, and offers a management channel for promotion.

An effective talent incentive mechanism is key to stimulating employee potential and promoting continuous organizational innovation. To this end, the company has also built a scientific and comprehensive incentive system. Through multiple means such as a market-competitive salary structure, performance incentive policies, career development channels, and employee recognition mechanisms, it ensures that employees' contributions are fairly recognized and rewarded, achieving synergistic development between individuals and the enterprise. The company has established incentive measures like efficiency awards and lean proposal awards to encourage employees to actively participate in daily management optimization, promoting a closed-loop management model of "discovering problems - solving problems - receiving awards" and enhancing the participation and sense of ownership of all employees. Furthermore, to further improve the scientific and transparent nature of the incentive mechanism, since 2023, the company has optimized the "dual-channel" career development mechanism and integrated it with the remuneration system. The company has annual performance review on employee professional competency. The review results serve as an important basis for salary adjustments and position promotions, providing strong support for employees' career growth paths.



Talent Training

The company has always regarded talent as a key resource for enterprise development and continues to improve a diversified training system that covers employees at all levels. Through a combination of online and offline methods, and coordination of internal training and external resources, the company systematically carries out various forms of learning activities such as course training, expert lectures, and hands-on learning. This continuously enhances the professional abilities and overall capability of employees, helping them to grow and develop in synergy with the enterprise.

2024

- Number of employee training sessions: 836 Total training investment: 4.97 million RMB
- Average training hours per employee: **22.57** hours
- Average training hours for female employees: **11.03** hours
- Average training hours for male employees: 30.99 hours
- \odot Average training hours for management: 11.62 hours
- Average training hours for junior employees: **27.63** hours
- \odot Training plan completion rate: 100%



Spring Training for Sales

To strengthen the business knowledge of sales staff, improve their understanding of product features, R&D situations, and to improve their information security awareness, Jiuli held a spring training for all sales staff in 2024. The course focused on the future application of alloy products, the overview and quality control points of bimetallic composite pipes, information security, the application, market, and R&D of high-performance nickel-based alloy welding materials, the current situation and future development of high-efficiency heat exchange, and business etiquette. It provided comprehensive training and guidance for the sales staff of the company and its subsidiaries.







Siemens Hand-on Technical Training

In April 2024, Jiuli held a Hand-on technical training on the application and common troubleshooting of Siemens frequency converters, aiming to enhance the technical proficiency and practical skills of its technical staff and ensure the application of theoretical knowledge into practical skills. To fully evaluate the training effectiveness, the company conducted a rigorous test assessment for the 35 participating technical staff. Among them, 30 technical staff successfully passed the assessment. The company recognized their achievement and awarded them completion certificates to encourage their progress in the technical field.





Seamless Pipe Production Process Technology Training

To improve the understanding and mastery of seamless pipe production process technology and production specifications for relevant staff, Jiuli held a seamless pipe production process technology knowledge training in the summer of 2024. This training covered all employees of the seamless pipe business unit and production department, ensuring that every employee received systematic and comprehensive training. The training content was tailored with actual production needs, explaining the important aspects of seamless pipe production in a simple and profound way. All participating staff passed the assessment with excellent result.





Responsible Supply Chain

Jiuli continuously strengthens its supply chain sustainability management capabilities, incorporating sustainable development into its supply chain management system. It actively implements environmental and social risk management for its suppliers, helping the industrial chain achieve a sustainable transformation.



Governance

The company has developed the Supplier Management Policy and Procurement Policy. The Supply Management system has Supply department taking overall responsibility and Quality and Technical Departments as support functions to manage the end-to-end supply parocess, including supplier development, performance evaluation, and supplier exit. This collaboration enhances supply chain resilience, promotes sustainable supply chain management, and fosters synergy with suppliers.



Strategy

The company upholds the corporate mission of "Provide high-performance materials for the global industries" and actively establishes partnerships with suppliers. We aim to improve supply chain product quality and enhancing supply chain resilience as our strategic goals, and continuously strengthen the full life-cycle supplier management. At the same time, guided by the concept of sustainable development, we implement the national "dual carbon" strategy. We focus on building a responsible supply chain as at the key driver to deliver our sustainable strategy. We strengthen the management of suppliers' conduct in terms of environment, society, and governance, promotes responsible mineral management, and jointly advances green supply chain construction.

The company update "Risk Identification and Assessment Form" annually to identify and develop countermeasures for risks in procurement, suppliers, warehousing, and product transportation.

Impact Type Impact Description		Countermeasures
	Single source supplier supply risk.	 Promote joint development with suppliers to drive the domestic production of Avoid using a single supplier Balance the procurement ratio of imported and domestic products, based on the consideration on quality and price.
Risk	Supply chain sustainability.	 Assess production capacity, price, and transportation performance of foreign suppliers, placing orders with multiple suppliers for bulk orders. For critical materials that could cause a complete company shutdown, use long-term contract suppliers or develop inhouse production capability.
	Exchange rate fluctuation risk.	Use the same currency for import and export business to allow Finance Department to arrange hedging activities.

Impact Type	Impact Description	Countermeasures
	Risk of theoretical weight vs. actual weight.	 Strengthen warehouse receiving management and conduct regular inventory counts of warehouse materials Improve the gate pass management system to ensure a closed loop weight management at entry and exit.
Risk	Risk of loss of goods in external warehouses.	Select reliable warehouses and conduct joint inventory counts every quarter.
	EU carbon tax and other policy risks.	Promote the trial use of green, low-carbon raw materials with raw material suppliers and promote customer certification.
Opportunity	Good supply chain security contributes to the stable development of the company's business, reduces procurement and logistics costs, and improves production efficiency.	Strengthen daily supplier management, improve the full life-cycle supplier management system, strengthen supplier product quality management, optimize supply chain configuration, and at the same time enhance the assessment of suppliers' sustainable development capabilities to ensure supply chain security and stability.



Impact, Risk, and Opportunity Management

Full Lifecycle Supplier Management System



Supplier Approval

The company conducts an initial evaluation of suppliers through the information survey forms they fill out. We assess suppliers in aspects including but not limited to business risk, quality risk, product risk, and social responsibility. Suppliers that passed the assessment is categorized as potential suppliers. Potential suppliers are then sub-categorized and on-site audit are conducted to further assess supplier's products quality against the requirements for supply. Suppliers with an on-site review score of 70 or above will be approved as qualified suppliers. Those with a score below 70 are categorized as non-compliant supplier or have their supplier qualifications revoked if they are existing suppliers, which will not be allowed to supply to us. Non-compliant suppliers are not allowed to participate in re-audit within six months. At the same time, the company regularly conducts re-audit of suppliers, with the interval not exceeding 3 years.

The company develops an annual supplier audit plan based on customer requirements, supplier evaluation results, and legal and regulatory requirements. In 2024, the company conducted audits on 6 suppliers and implemented timely corrective measures for any non-conformities found during the audits.

Against violence, harassment, and

© Respect for freedom of association and

other inhumane treatment

Anti- discrimination.



The company conducts regular supplier assessment based on documents such as the "Raw Material Supplier Evaluation Form," "Auxiliary Material Supplier Evaluation Form," and "Service Supplier Evaluation Form." It comprehensively evaluates suppliers from source to payment across key dimensions including price, quality, on-time delivery rate, emergency order response capability, complaint handling, and supply quantity. Based on the evaluation results, the company categorizes suppliers into excellent, qualified, and unqualified, and implements corresponding actions such as purchase through preferred supplier, feedback to supplier for corrective actions, cap the purchased volume, and freezing of accounts. In 2024, the company conducted performance evaluations for 112 raw material suppliers. No restricted or unqualified suppliers were identified, and timely corrective measures were implemented for qualified suppliers with non-conforming items.



In the product acceptance process, the company will immediately revoke the qualification of any supplier found to have intentionally provided counterfeit or substandard products, or to have seriously breached contract terms or refused to perform the contract without force majeure. Such suppliers will be banned from the qualified supplier list for five years.

Supply Chain Sustainable Development Management

The company integrates ESG management into the entire procurement process, including supplier development, selection and evaluation, management and audit, and exit, covering the full lifecycle management. In the supplier assessment, the "Supplier Social Responsibility Evaluation Form" is used to assess a total of 50 items related to the code of conduct. The company uses methods such as supplier self-assessment, on-site audit, and remote audits to screen and approve suppliers with a score of 70 or above as qualified. At the same time, the company will review the supplier's business ethics, intellectual property, labor, safety, and environmental records over the past 3 years by checking the supplier survey form and relevant public websites for any complaints or penalties from the government, customers, or other related parties.

The company specifies ESG-related clauses in its procurement contracts and incorporates ESG into supplier performance assessments. Suppliers with good ESG performance will be the preferred supplier to gain more purchase volume and priority in business cooperation opportunities. For suppliers with poor ESG performance, especially those who violate ESG bottom lines, a deadline for rectification will be required, while their procurement volume will be reduced or business cooperation opportunities will be limited until the partnership is terminated. For suppliers who violate environmental, labor, and personnel-related clauses, the company will suspend their qualifications and prohibit re-assessment for one year. In cases of serious violations, their qualifications will be revoked.

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Number of suppliers found to have actual or potential significant negative ESG impacts:

O Compliant provision of salary and collective bargaining rights benefits. Provide of healthy and safe working conditions, Provide of clean living conditions, Health and Safety Emergency readiness, Requirement for employees to comply with safety rules Obtaining and maintaining environmental permits and reports, Compliance with product environmental requirements, Environmental Prevention of environmental pollution, Protection Energy saving and emission reduction Upholding integrity and honesty, Protection of intellectual property. O Adherence to fair trade, marketing, and competition standards, Protection of **Business Ethics** whistleblower identity and establishment of a no-retaliation policy, Responsible sourcing of minerals, O Protection of private information Compliance with company commitments and management responsibilities, Risk assessment and management, Management Systems Management of upstream suppliers, Internal audits and management reviews

Jiuli Supplier Code of Conduct

Prohibition of forced labor.

Lawful arrangement of work and

Prohibition of child labor,

rest times,

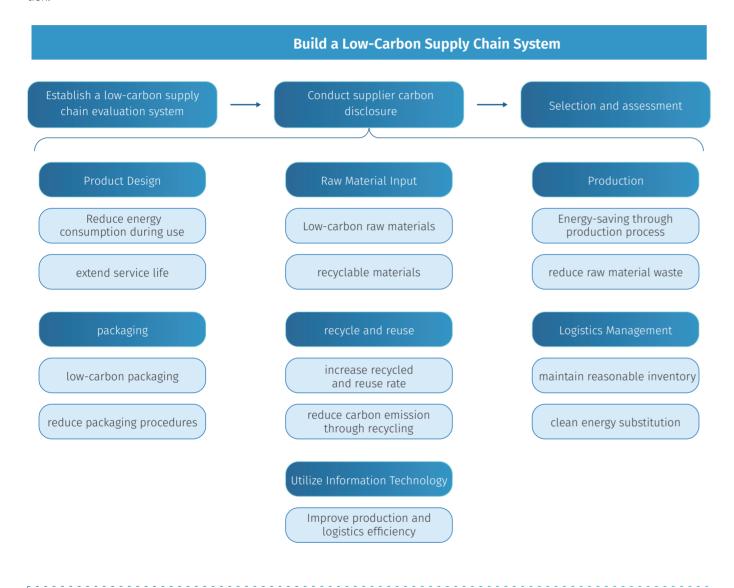
Promote Sourcing Transparency

Labor and Human Rights

We continuously strengthens the integrity and compliance of its supply chain, opposing corruption and unfair trade. We collaborates with suppliers to maintain a fair and competitive principle, achieving win-win cooperation and jointly building a standardized, just, and transparent business environment. The company co- sign "Partner with Integrity commitment" with its suppliers, requiring them to comply with anti-corruption requirements and regulating the conduct of both company and supplier personnel. It is clearly stated that accepting bribes strictly prohibited by Jiuli in any form, and violators will be subject to disciplinary measures such as job transfer, performance management, or termination of the employment contract. Severe cases will be handed over to judicial authorities for handling. The company opposes suppliers offering bribes through various means and will take measures such as issuing notices, warnings, suspending business, terminating contracts, and even revoking qualifications for violators. By the end of 2024, referencing the company's signing requirements, we have signed the "Partner with Integrity commitment" with over 410 suppliers.

Green Supply Chain

We believe it is important that the suppliers has environmental protection built in their corporate culture and business philosophy, and are committed to building a green supply chain. When selecting suppliers, we look at to their low-carbon strategies and products, purchasing products that use energy-saving and carbon-reducing technologies such as zero-carbon cold rolling and internal circulation of coke oven gas to replace natural gas. Selected suppliers have obtained ISO 14001 environmental management system certification.



[Honor]

Jiuli was selected as a "Green Supply Chain Management Enterprise" for the year 2024 by the Ministry of Industry and Information Technology of the People's Republic of China.

Supplier Product Quality Management

The company strictly manages the quality of supplier products. During the supplier approval phase, the company requires all raw material suppliers to have ISO 9001 quality management system certification, and all raw material and service suppliers must be equipped with sufficient quality inspection capabilities and have acceptable business performance in supplying the same material. When necessary, the company will collect samples for testing and evaluation. Based on the various requirements of the materials or services and the supplier's quality-related documents and requirements, etc., we formulate "Auxiliary Material Procurement and Acceptance Criteria" or related technical requirements for different categories of suppliers to clearly states the acceptance criteria.

Supplier Training

We build long-term relationships with suppliers to create a sustainable supply chain and jointly respond to market fluctuations. Through collaboration in technical and training sessions, we developed better understanding of each other's needs and challenges, improving the supply chain's agility and resilience, and jointly improve product quality and performance. This enables the company to meet market demand and achieve our strategic development goals. It also promotes win-win situation with suppliers, maintaining the company's competitiveness in the market and creating maximum value for customers. During the reporting period, the company organized monthly on-site collaboration sessions with suppliers for discussion and learning.



Indicators and Goals

The company takes ensuring the quality, stability, and safety of its supply chain products as its main goal for supply chain management. At the same time, we set relevant indicators for raw material defect rate, on-time delivery target, and ESG evaluation, and continuously monitors the implementation progress to enhance supply chain resilience.

Management Goal	2024 Progress
 Strengthen supply chain product quality management, ensure the stable operation of the supply chain Raw material acceptance rate (quality) 98% On-time delivery rate of raw materials 90% 	 The company has a total of 1,410 suppliers, of which 570 are local suppliers in Zhejiang, accounting for 40% of the total number of suppliers. Raw material acceptance rate(quality) 99.32% On-time delivery rate of raw materials 96.44%
Strengthen supplier ESG management, enhance supplier access thresholds and ESG performance evaluation mechanisms	 100% of new suppliers were screened using environmental standards. 100% of new suppliers were screened using social standards.

Industry Connection

Jiuli actively participates in industry connection to drive industry development. We have attended industry events and participated in the formulation of industry standards and has led or participated in the formulation of more than 40 national and industry standards, contributing to the development of the industry.

2024

- \circ Led or participated in national standards formulation: 3
- Industry/group standards forumation:
- © Filed enterprise standards: 8



Jiuli Participates in the Second Petrochemical Equipment Industry Standardization Conference

In August 2024, Jiuli's Chairman, Li Zhengzhou, participated in the "Second Petrochemical Equipment Industry Standardization Conference" hosted by the China Petroleum and Petrochemical Equipment Industry Association. During the conference, Liu Hongbin, President of the China Petroleum and Petrochemical Equipment Industry Association, together with more than 100 experts and representatives from the petrochemical equipment industry visited Jiuli. The group toured the Jiuli Exhibition Center, Research Institute, and other locations, gaining a detailed understanding of Jiuli's development history, industrial system, production processes, and product application areas. They experienced closely the efforts and achievements made by Jiuli in product innovation, technological innovation, and standard innovation.





Participation in the China Society for Metals Carbon Neutrality Branch

On November 27, 2024, the inaugural meeting of Carbon Neutrality Branch of the China Society for Metals was held in Beijing. With the theme of practicing the carbon neutrality development strategy, promoting the coordinated development of carbon neutrality and new productive forces, and boosting future economic and social development, the conference focused on discussions and exchanges on basic theories around "carbon neutrality", and the discussion of development and application of cutting-edge technologies and key equipment. The aim was to accelerate the research and development of low-carbon technologies and the construction of an ecological chain, and jointly explore the path of green development. The deputy director of the Jiuli Research center attended the conference as the company representative. The chief engineer and director of the Jiuli Research center, was successfully elected as a member of the first committee of the Carbon Neutrality Branch of the China Society for Metals based on their professional influence in the industry.



Fulfilling Social Responsibility

The company actively responds to the government's call, taking the Jiuli Group as a unified entity to earnestly fulfill its social responsibilities and promote sustainable corporate development. In 2024, the company continuously developed public welfare projects, promoting the spirit of volunteering and hardworking through supporting rural revitalization, practicing vocational education, engaging in charitable donations, and participating in volunteer services. The company proudly undertakes the responsibilities of a corporate citizen, striving to contribute social value and contribute to the harmonious development and progress of society.



In 2024, Jiuli Group donated a total of 2.95 million yuan and was jointly awarded by the Huzhou Charity Federation and the Charity United Association with "Annual Pioneer Company Member"



In terms of rural revitalization, Jiuli Group continued to carry out party-building co-construction and village-enterprise pairing assistance activities with Tushan Village in Shuanglin Town. Jiuli subsidiary, Qiancheng Company, also carried out village-enterprise pairing activities with Yushan Village in Daixi Town, and donated 20,000 yuan to support the construction of Yushan Village.



Assisting Education

We upholds our value of giving back to society and caring for education, actively cooperates with the Huzhou Municipal Education Bureau and the Municipal Charity Federation, deeply participates in vocational education public welfare projects, and invest in the cultivation and growth of talents. Taking our industrial advantages, we provide educational resources, and assists in the practical implementation of "science education" related policies. Through the actions, the company not only create pathways for young people to succeed, but also nurtured a large number of young talents with practical skills and innovative abilities for society, fully demonstrating the company's responsibility and commitment in the field of public welfare and charity.



The 6th "Jiuli Craftsmanship" Vocational Education Talent Award

On November 26, 2024, the award ceremony for the 6th "liuli Craftsmanship" Vocational Education Talent Award was held at Zhejiang Information Engineering School, where relevant leaders presented awards to 31 award-winning teachers and students. The "Jiuli Craftsmanship" Vocational Education Talent Training Award (Charity) Fund was jointly established by Jiuli Group, the Municipal Education Bureau, and the Municipal Charity Federation in 2017. So far, a total of 72 students and 83 supervising teachers in the city have received awards. This initiative reflects Jiuli people's unremitting pursuit of the spirit of model workers and craftsmanship, and shows the company's advocacy of skills and respect for talents.





Shuanglin No. 2 Middle School Teachers and Students Visit Jiuli for a Science Education

Jiuli actively cooperates with the Education Bureau's "science education" related policies and has become an important academician science education base. In October 2024, teachers and students from Nanxun Shuanglin No. 2 Middle School came to Jiuli Group for a visit, getting a close-up experience of how "amazing steel pipes" are created. This activity enhanced the students' interest in science and promoted the cultivation of technology-oriented talents.





Public Welfare Donations

In 2024, Jiuli Group further spread the concept of charity, promoted the traditional Chinese virtue of helping those in need, and actively organized and participated in various types of donation activities. In 2024, Jiuli Group's investment in the field of public welfare and charity amounted to 2.95 million RMB.



[Honor]

On January 6, 2025, Jiuli once again won the title of "Huzhou's Most Caringand Donating Enterprise."



Blood Donation Activity

On October 19, 2024, Jiuli Group organized its 2024 annual blood donation activity, with a total of 50 employees participated. 2024 is the 25th year that Jiuli Group has carried out blood donation activities. The people of Jiuli act on their sense of responsibility, practicing their reverence for life and their responsibility to society.





Charity Day Donation" Activity

"Love carries us forward and every bit counts". In mid-to-late September 2024, Jiuli Group launched the 2024 "Charity Day Donation" activity throughout the company. A total of 3,654 people participated in this fundraising activity, with a donation amount of 391,725 yuan. The people of Jiuli contributed to the cause of charity with practical actions, creating a strong atmosphere of "everyone is charitable, everyone does good."



Volunteer Activities

To further fulfill its corporate social responsibility and promote the spirit of volunteer service, Jiuli Group actively organizes various volunteer service activities, conveying the warmth of the enterprise with practical actions, serving the public, and letting volunteers measure warmth with their footsteps and interpret their commitment with their actions.

2024

- © Registered volunteers: 2,200
- \circ Total investment in volunteer services: 50,000 RMB
- © Employee volunteer service hours: 38,890 hours
- \odot Average volunteer service hours per person: 18 hours



Learning from Lei Feng, Delivering Love

To promote the spirit of Lei Feng in the new era and inherit the traditional Chinese virtue of respecting and loving the elderly, on March 1st, on the occasion of the 61st Lei Feng Memorial Day, the Party Committee of Jiuli Group organized volunteers to go to the New Era Civilization Practice Station in Loucun Village to carry out the theme activity of "Learning" from Lei Feng in Spring, Sending Warmth and Love," sending care and blessings to the elderly over 90 years old.





Visiting the Elderly on the Double Ninth Festival

Deep affection for the Double Ninth Festival, warming hearts with visits. On October 9, 2024, volunteers from the Party Committee and Labor Union of Jiuli Group went to Zhenggang Village in the high-tech zone to carry out a visit to the elderly with the theme of "Practicing Zhejiang's Etiquette, Respecting and Loving the Elderly, and Inheriting Chinese Virtues," to make the elderly in the village fully feel the care and warmth from the caring enterprise. Jiuli Group has always dedicating themselves in giving back to the society, being enthusiastic about public welfare, and deeply practicing the "Ten Etiquettes of Zhejiang," striving to build a civil and happy atmosphere.



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Key ESG Performance Disclosure 2024

Environmental matters

Subject matter	Subject Matter Information	Unit	2023	2024
Environmental	Environmental Protection Capital Investment	10,000 RMB	4,090	5,980
Compliance Management	Number of Environmental Trainings Conducted	Times	21	33
-	Number of Participants in Environmental Training	Person-times	3,986	4,688
	Direct (Scope 1) Greenhouse Gas Emissions	Tonnes of CO2 equivalent	20,248	22,676
	Indirect (Scope 2) Greenhouse Gas Emissions	Tonnes of CO2 equivalent	73,392	78,227
Climate Change	Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	Tonnes of CO2 equivalent	93,640.05	100,902.93
Response	Greenhouse Gas Emission Intensity (Scope 1 and Scope 2) (per unit of operating revenue)	Tonnes of CO2 equivalent / 10,000 RMB	0.109	0.092
	Greenhouse Gas Emission Reductions	Tonnes of CO2 equivalent	996.57	991.86
	Carbon Emissions per Unit of Industrial Added Value	Tonnes / 10,000 RMB	0.46	0.41
	Electricity	10,000 kWh	12,972	14,881
	Natural Gas	10,000 m³	931	1,048
Energy	Steam	Gigajoules (GJ)	99,414	114,467
Management	Industrial Added Value	10,000 RMB	204,938	244,678.30
	Comprehensive Energy Consumption	Tonnes of standard coal	52,742.52	60,252.57
	Energy Consumption per Unit of Industrial Added Value	Tonnes of standard coal / 10,000 RMB	0.26	0.25
Water	Total Water Consumption	Tonnes	1,102,500	1,151,126
Resource Management	Water Use Intensity	Tonnes / Tonne of output	8.6	8.4
	Total Water Withdrawal	Tonnes	873,429	861,601
	Total Wastewater Discharge	m³	114,389	208,380
	Discharged Wastewater COD (Chemical Oxygen Demand)	Tonnes	26.04	39.89
	Discharged Wastewater Ammonia Nitrogen	Tonnes	0.56	2.76
	Total Waste Gas Emissions	m³	277,842	159,362
Waste	Nitrogen Oxides (NOx) Emissions	Tonnes	1.69	12.22
Management	Sulfur Oxides (SOx) Emissions	Tonnes	0.05	0.24
	Volatile Organic Compounds (VOCs) Emissions	Tonnes	0	0
	Suspended Particulate Matter (PM) Emissions	Tonnes	0.19	1.3
	Total Waste Generated	Tonnes	23,076	24,546.71
	Total Hazardous Waste Generated	Tonnes	7,076	8,422.71

Subject matter	Subject Matter Information	Unit	2023	2024
	Total Non-hazardous Waste Generated	Tonnes	16,000	16,124
Waste	Total Waste Recycled and Reused	Tonnes	6,879	8,161
Management	Total Waste Disposed	Tonnes	197	261
	Proportion of Renewable Resource Consumption to Total Consumption	%	10.03	8.68

Social matters

Subject matter	Subject Matter Inform	nation	Unit	2023	2024
	Work Safety Investment		10,000 RMB	1,520.50	1,722.5
	Investment in Work Injury Insurance & Production Safety Liability Insurance		10,000 RMB	205.23	574.7
	Investment in Work Injury Insurance & Production Safety Liability Insurance		%	100	100
	Number of Employees Covered by Occu Health and Safety Management System	pational	People	4,126	4,509
	Coverage Ratio of Employees by Occupa Health and Safety Management System		%	100	100
Occupational Health	Number of Recordable Work-relate	ed Injuries	People	3	2
and Safety	Recordable Work-related Injury Ra	te	%	0.07	0.04
	Lost Work Days Due to Work-relate	d Injuries	Days	100	37
	Number of Work-related Fatalities		People	0	0
	Number of Occupational Disease Cases		People	0	0
	Occupational Disease Incidence Rate		%	0	0
	Total Safety Training Hours		Hours	41,970	54,326
	Average Safety Training Hours per Capita		Hours	8	10
	Total Number of Employees		People	4,126	4,509
	Employee Ratio by Gender	Female	%	14.49	14.15
		Male	%	85.51	85.85
		Below 30	%	25.02	27.29
	Employee Ratio by Age	30-50 years old	%	58.63	57.45
Talent Employment		Above 50	%	16.35	15.26
and Development	Number of Ethnic Minority Employees		People	/	78
	Ratio of Ethnic Minority Employees		%	/	1.91
	Number of Disabled Employees		People	/	48
	Ratio of Disabled Employees		%	/	1.17
	Number of Locally Hired Employee	es .	People	/	3,219

Subject matter	Subject Matter Information		Unit	2023	2024
	Ratio of Locally Hired Employees		%	/	78.72
	Total Number of Management Staff		People	204	221
	Management Staff Ratio	Female	%	11.27	15.38
	by Gender	Male	%	88.73	84.62
		Below 30	%	0.49	0.91
	Management Staff Ratio by Age	30-50 years old	%	80.39	75.11
		Above 50	%	19.12	23.98
	Total Number of New Employees		People	452	629
		Female	%	12.31	10.97
Talent Employment		Male	%	87.69	89.03
and Development	New Employee Ratio by Age	Below 30	%	59.72	63.91
		30-50 years old	%	39.06	35.45
		Above 50	%	1.22	0.64
	Total Number of Career Development Trainings		Times	756	836
	Total Investment in Career Develop	ment Training	10,000 RMB	484.37	497
	Employee Career Development Trai	ning Coverage Rate	%	100	100
	Average Career Development Training	Hours per Employee	Hours	12.15	22.57
	Percentage of Employees Receiving Reguland Career Development Reviews	larPerformance	%	97.85	97.09
	Ratio of Employees Receiving Regular Performance and Career Development Reviews by Gender	Female	%	/	14.04
		Male	%	/	83.05
	Ratio of Employees Receiving Regular Performance and Career	Management	%	/	24.72
	Development Reviews Category	Entry Level	%	/	72.36

Subject matter	Subject Matter Information	Unit	2023	2024
Employee Right	Amount of Welfare Benefits Distributed	10,000 RMB	7,784.30	8,162.73
Protection	Number of Employees in Need Assisted	People	/	15
	R&D Investment Amount	10,000 RMB	33,934.50	36,172.89
	R&D Investment as a Percentage of Main Business Revenue	%	4.2	3.46
	Number of R&D Personnel	/	504	559
	R&D Personnel Ratio	%	12.22	12.40
Research and	Number of New Invention Patent Applications	/	20	19
Innovation	Number of New Invention Patents Granted	/	5	5
	Number of New Utility Model Patent Applications	/	7	23
	Number of New Utility Model Patents Granted	/	9	9
	Total Number of Valid Patents	/	119	128
	Customer Satisfaction	%	97.60	98.26
Customer Service	Number of Customer Complaints	1	20	31
	Number of Customer Complaints Resolved	1	20	27
	Total Number of Suppliers	1	1,016	1,410
	Supplier Localization Ratio	%	/	40.43
Supply Chain	Localized Procurement Ratio	%	/	30
Management	Percentage of new Suppliers Screened with Environmental Standards	%	100	100
	Percentage of New Suppliers Screened with Social Standards	%	100	100
	Total Charity donation	10,000 RMB	608	295
	Number of Employees Participating in Volunteer Activities	1	2,160	2,200
Public Welfare	Company's Total Investment in Volunteer Activities	RMB	20,000	50,000
	Total Employee Volunteer Service Hours	Hours	38,880	38,890
	Average Volunteer Service Hours per Employee	Hours	18	18

Governance Matters

Subject matter	Subject Matter Information	Unit	2023	2024
	Number of Shareholders' General Meetings Held	Times	4	2
	Number of Board of Directors' Meetings Held	Times	12	7
	Attendance Rate of Board of Directors' Members	%	100	100
	Number of Supervisory Committee Meetings Held	Times	7	5
	Number of Board of Directors' Members	People	11	11
Corporate Governance	Number of Independent Directors	People	4	4
	Number of Female Directors	People	2	2
	Number of Audit Committee Meetings	Times	6	6
	Number of Remuneration Committee Meetings	Times	1	1
	Number of Nomination Committee Meetings	Times	2	0
	Number of Strategic Decision Committee Meetings	Times	2	1
Business	Number of Anti-corruption Trainings Conducted	Times	1	16
Ethics	Number of Participants in Anti-corruption Training	Person-times	5	1,800



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