



2024

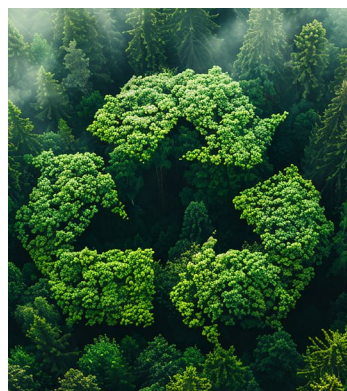
Environmental, Social and Governance Report

Jinsanjiang (Zhaoqing)Silicon Material Co., Ltd

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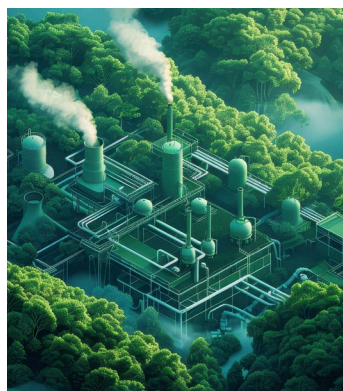
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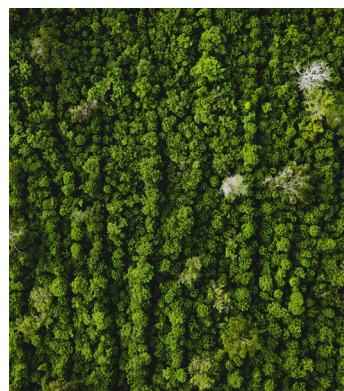
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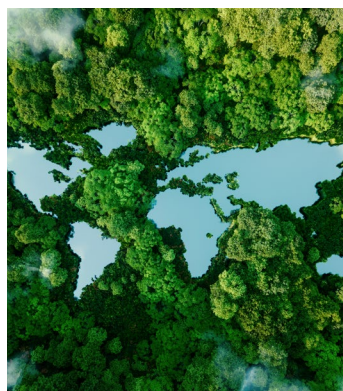
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About the Report



Introduction

Jinsanjiang (Zhaoqing) Silicon Material Co., Ltd. (hereinafter referred to as "JSJ", "the Company," or "We") is pleased to release the 2024 Environmental, Social and Governance (ESG) Report ("the report"), aiming to provide stakeholders with information on JSJ's practices and performance in ESG aspects.



Basis of Preparation

The report draws on the GRI Sustainability Reporting Standards (GRI Standards) of the Global Sustainability Standards Board, and the United Nations Sustainable Development Goals (UN SDGs). At the same time, it is compiled in accordance with three guidelines of the Shenzhen Stock Exchange (SZSE), i.e. the Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Shenzhen Stock Exchange Guideline No.2 on Self-Regulation of Listed Companies on the ChiNext Board.



Reporting Period

The report covers the period from January 1, 2024, to December 31, 2024. To enhance comparability of the report and provide forward-looking information, the reporting period of some content is moderately extended.



Information Source

The statistics and cases in the report are mainly derived from the Company's official documents, statistical reports, and relevant public documents. The Company undertakes that there is no false record or misleading statement in the report, and bears responsibility for the truthfulness, accuracy, and completeness of its content. This report was considered and adopted by the Board of Directors on 03/28/2025.



Access to the Report

The report can be viewed and downloaded on the official website of SZSE (www.szse.cn), the Company's website (<https://www.gz-silica.com>), and CNINFO (<http://www.cninfo.com.cn>).

For further inquiries or any questions or suggestions regarding the report, please contact the Company via email at ir@jsjgcl.com.

Message from the Chairman

2024 marked a year of rapid business growth and a significant move toward high quality development for JSJ. We have consistently upheld a customer oriented philosophy while steadily advancing its "global development" strategy. At the same time, we have continuously strengthened our risk management and internal control systems to support our high quality development objectives. Over 21 years of dedicated effort, we have refined our governance framework by comprehensively planning, implementing, supervising, and reviewing our ESG initiatives. This year, our achievements in the areas of Environment, Social, and Governance (ESG) have been widely recognized, as evidenced by our receipt of the "2024 Light Industry Corporate Social Responsibility Rating: AAAA" and our ranking among the "Top 100 Innovative Enterprises (2nd Edition) 2024".

Strengthening Foundations and Optimizing ESG Governance

Optimizing ESG governance is the cornerstone of high quality development. In 2024, we have established a dedicated ESG Committee under the Board, building an integrated governance framework that encompasses strategic decision making, execution and supervision, and risk prevention. Simultaneously, we continuously improved our risk management systems, reinforced internal audits and oversight, and actively conducted compliance training to safeguard our development. In our interactions with the capital markets, we strictly adhere to information disclosure standards and have established a transparent operational model.

Sticking to Digital Transformation to Ignite Innovation

Innovation is the primary driver of high quality development. In 2024, we deepened our commitment to the principle of "digitizing all business processes and transforming data into actionable insights" by launching three core projects—the Traditional Systems Optimization Project, the Intelligent Platform Construction Project, and the Digital Talent Cultivation Project—thereby significantly enhancing the digital capabilities of our production, R&D, sales, and operations. In production, our MES system has enabled lean manufacturing to reduce resource waste; in R&D, our PLM system has empowered our research efforts and boosted product development efficiency; in sales, our CRM system has optimized service delivery to elevate customer satisfaction; and in operations, our OA and SAP systems have streamlined work processes.

Committed to Green Transition to Fulfill the Dual Carbon Mission

Environmental protection is a key objective of high quality development. In terms of energy conservation and emissions reduction, we have actively installed distributed photovoltaic systems and optimized our power resource allocation. In clean production, we have continuously upgraded our wastewater treatment systems, implemented stringent emissions monitoring, and developed recycling processes for waste residue to reduce discharges. To address climate change, we have conducted comprehensive risk and opportunity assessments and formulated strategies to enhance our climate resilience. Additionally, we are actively developing green factories—embedding eco friendly practices throughout production and downstream transportation—to maximize environmental benefits.

Embracing a People-Oriented Approach to Unite Talent for Growth

Our employees are our most valuable strategic asset. Adhering to a people first principle, we continually optimize our comprehensive talent management system—from recruitment and selection through development to retention—and continuously strengthen our talent capabilities. To foster an inclusive and equitable work environment, we have made diversity and equality an integral part of our corporate culture, providing a platform for employees of all nationalities, ages, and genders to showcase their talents. In addition, we have established a robust incentive system and a generous benefits

package to share the rewards of our growth with our workforce. Moreover, we have developed a wide array of training programs designed to help employees realize their full potential and achieve personal growth.

Putting Responsibility First to Build a Harmonious Future

Promoting a culture of responsibility is essential for building a harmonious future. At JSJ, we prioritize the development of our suppliers. In 2024, we optimized our supplier management system by integrating sustainability requirements into our procurement processes. We conduct comprehensive evaluations of key factors—including product quality, environmental compliance, and delivery capabilities—and perform regular on site audits at supplier facilities to help enhance their sustainability practices. At the same time, we actively engage in public welfare initiatives, giving back to society through tangible actions and contributing to the harmonious development of our community.

Reflecting on 2024, JSJ has fortified its development foundation through robust ESG governance. Looking ahead to 2025, we will continue to deepen our dual engine strategy—leveraging mature corporate governance to build a sustainable organization and harnessing digital transformation to unlock our growth potential. JSJ remains committed to a green development path, continuously delivering high quality products to our customers, inspiring positive societal momentum, and actively fulfilling our mission to drive sustainable social development.

Chairman
Zhao Guofa



About JSJ

Company Profile

Jinsanjiang (Zhaoqing) Silicon Materials Co., Ltd., established in 2003, successfully went public in 2021 (stock code: 301059). It is a customer-centric and innovation-driven provider of functional silica solutions. Jinsanjiang is dedicated to "becoming a global leader in silicon materials," focusing on the research, development, production, and sales of precipitated silica.

Research and Innovation

Jinsanjiang places great importance on product innovation, research, and development, as well as the optimization of process technology. Through continuous investment and innovation, it has established a research and development team consisting of doctors, masters, and technical experts. The company has set up a 4700 m² high-standard research and development center equipped with a series of advanced R&D equipment, ensuring its technical leadership in the industry. The company has been honored with titles such as "Provincial Enterprise Technology Center," "Guangdong Functional Silica Engineering Technology Research Center," "Guangdong Demonstration Enterprise for the Promotion and Application of Innovative Methods," and "National Specialized and New 'Little Giant' Enterprise."

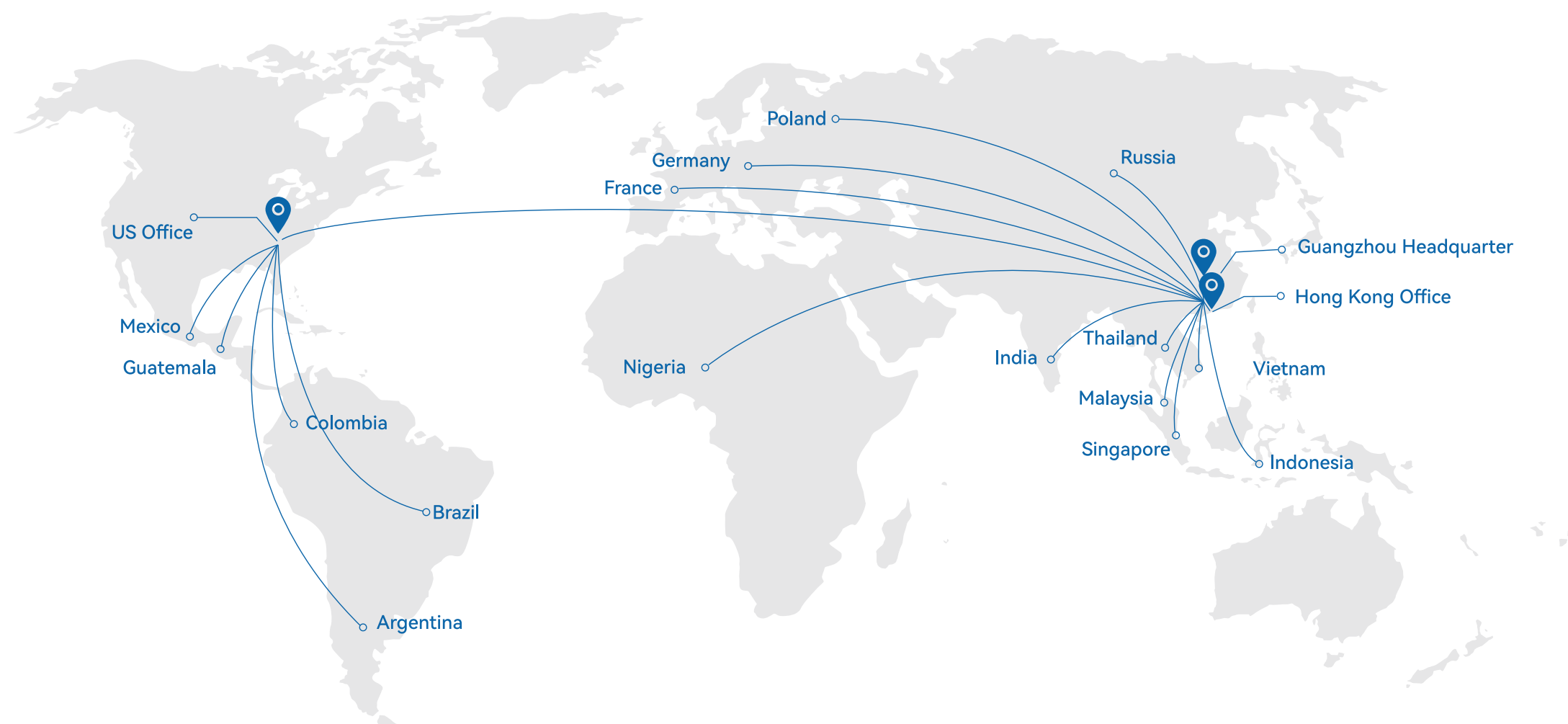
Lean Production

Jinsanjiang has two major production bases, one of which is the intelligent factory (Factory Two), covering an area of 68,000 m². It was completed in 2022 and officially put into production in 2023. The intelligent factory (Factory Two) is designed according to the standards of informatization, intelligence, digitalization, and greenification. It has established an intelligent production line with a DCS (distributed control system) as the brain, high-precision instruments as the senses, high-performance production equipment as the main body, and a digital system as the core. At the same time, the company is equipped with green facilities such as distributed photovoltaics, online wastewater and exhaust gas detection, zero solid waste emissions, steam and gas recovery, and drying waste heat recovery, embracing sustainable development. In 2024, the company was awarded the title of "National Green Factory."

Global Sales

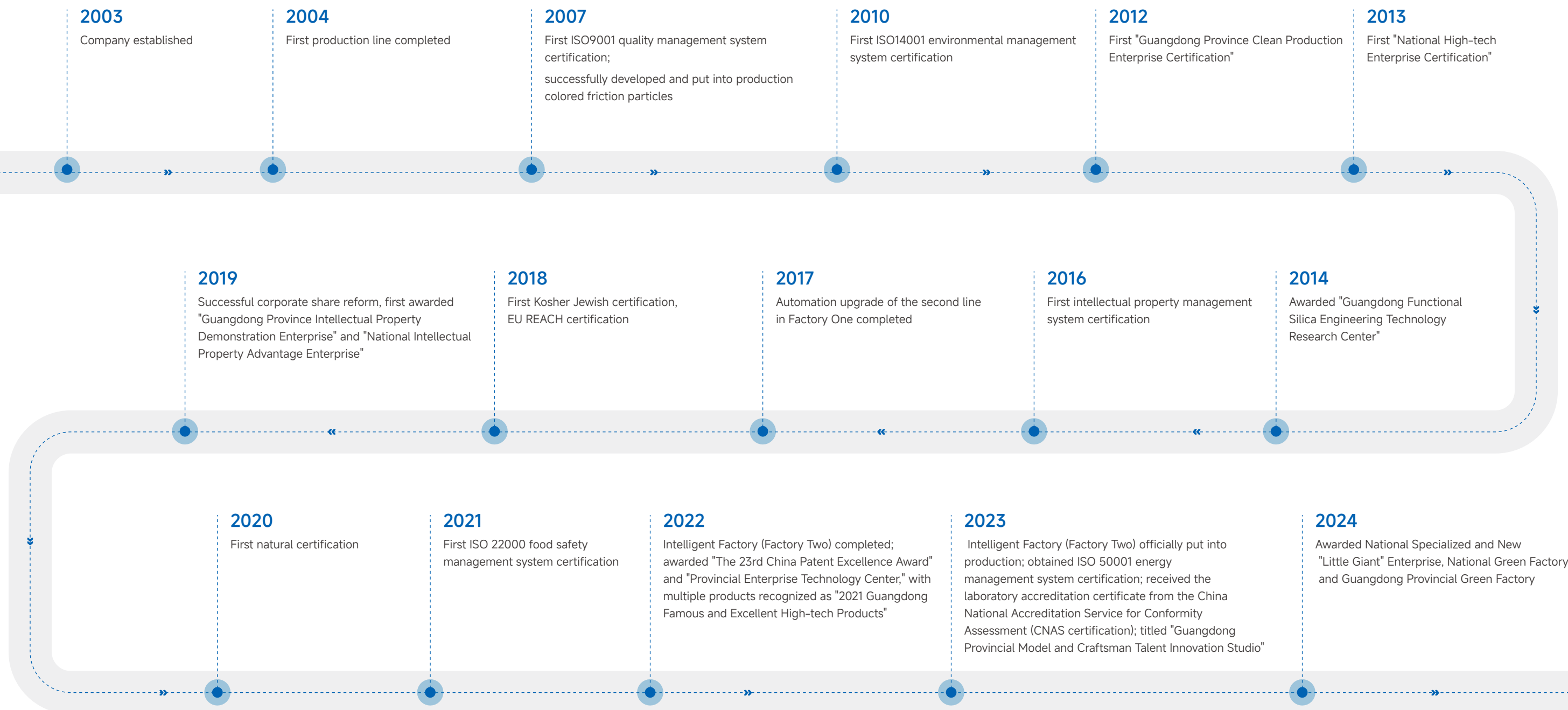
The company continues to develop domestic and overseas customers, creating value for the world with high-quality products. Domestically, the company will deepen strategic partnerships with core customers, raising the level of cooperation to new heights. Overseas, after establishing subsidiaries in Hong Kong, China, the United States, Poland, and Mexico, the company has set up an overseas team responsible for overseas market development. In 2024, the company accelerated the construction of its overseas supply chain, formulated overseas delivery solutions, and improved its ability to serve global customers.

Over the past twenty-one years, the company has focused on the silica business, adhering to the strategy of "global development" and "high-quality development" to create a healthy corporate ecosystem. In the future, the company will continue to provide customized silicon materials to customers in industries such as toothpaste, food and pharmaceuticals, silicone rubber, antistatic agents, and storage batteries, offering silica solutions that exceed expectations and create value for customers.



Development History

JSJ was established in 2003, and after 21 years of development, has become a global leader in the supply of precipitated silica. It was officially listed on the ChiNext board of the Shenzhen Stock Exchange on September 12, 2021.



ESG Performance and Honors

Economic

385.5495 million yuan	730.85 million yuan	60.5893 million yuan
Operating revenue	Total assets	Total profit

Environmental

20%	12%
The intensity of hazardous waste discharge has decreased compared to 2023	The intensity of water resource use has decreased compared to 2023

Social

17.8169 million yuan	50 Persons	134 Items
R&D Investment amount	Total R&D personnel	Accumulated patent authorizations
100%		150 Items
The business scope covered by the company's ISO 9001 quality management system certification		Accumulated intellectual property rights
13 Times	374 Persons	100%
The number of safety training sessions	Employees participating in the safety training.	The rate of occupational health check-ups
0 Person	0 Number	100%
The number of deaths due to work-related accidents	The number of safety production accidents	The signing rate of labor contracts

Governance

91 Times	4 Times	87 Times	16.7%
Total announcements	Regular reports	Interim announcements	The proportion of female members on the board of directors

Social

100%	100%	4,003 Hours
The coverage rate of social insurance	The staff training coverage rate	The total training hours for employees
19.35%	46,200 Yuan	
The training hours for employees have increased compared to 2023	The cumulative amount of donations over the past three years	
2 Items	1 Item	2 Items
Take the lead in drafting the formulation of silica-related standards	Publish paper through industry-university-research cooperation	Industry-academia-research cooperation patents

Honors and Awards

• National Intellectual Property Superior Enterprise	• High-Tech Enterprise	• Innovative Small and Medium-Sized Enterprise
• Guangdong Province Green Factory	• "High-Purity Nanoscale Silicon Dioxide Preparation Technology" Scientific and Technological Achievement Certificate	• Guangdong Province Demonstration Enterprise for the Promotion and Application of Innovative Methods
• Guangdong Province Clean Production Enterprise	• Advanced Unit in the Industry's High-Quality Development	• Selected as a "Leader" in China's Light Industry Digital Transformation Case for 2024
• Council Member Unit of the 3rd Guangdong Province Clean Production Association	• "Outstanding Member Unit" of the Guangdong Province Clean Production Association in 2024	• "Ray of Hope" Top 100 Innovative Enterprises
• Zhaoqing City Top 50 Enterprises in Science and Technology Innovation for 2023	• Zhaoqing High-Tech Industrial Zone Quality Award	



Honor Wall (partial honors)

Sustainable Development Goals (SDGs) Response

Corresponding Chapter	UN SDGs	UN SDGs Response
Refining Governance, Crafting a New Vision of Growth		We continuously strengthen corporate governance systems, enhance risk resilience, and establish a robust ESG governance framework. Upholding high standards of business ethics, we prioritize data security and privacy protection to create long-term value for all stakeholders.
Empowerment through Digital Intelligence, Innovation Leading a New Future	      	We prioritize customer relationship management, deepen R&D innovation, and pursue digital and intelligent transformation to deliver high-quality products.
Green development, Shoulder the New Mission	      	Our goal is to achieve green and low-carbon operations, actively address climate change, and integrate environmental protection principles into product development, creating ecological benefits across our value chain.
Care for Employees, Cohesion of New Talents	    	We value every employee, adhere to equal employment practices, and protect labour rights while enhancing employee welfare. Through continuous training and development programs, we foster shared growth and unlock potential.
Reciprocal Benefit and Shared Prosperity, Creating a Better New Life Together	  	We focus on sustainable supply chain operations, practice responsible procurement, and mitigate risks. We actively contribute to industry development and engage in social welfare initiatives, fulfilling our corporate social responsibility (CSR) commitments.

Special Topic Cultural Upgrading - Consensus and Co-creation for a New Chapter

2024 marked the beginning year for Jinsanjiang to fully implement corporate culture, as well as a crucial year for the company to step into high-quality development. The company uses the "Corporate Culture Handbook" as a vehicle to refine its corporate values, interprets the corporate culture with vivid cases, strengthens the employees' sense of identity and belonging, and lays the foundation for the efficient operation of the company.

Cultural Philosophy Upgrade

Refreshing Cultural Genetics to Drive Organizational Evolution

In 2024, Jinsanjiang upgraded its cultural philosophy of "customer-centric, innovation-driven, long-term hard work, and self-criticism" and launched the "Corporate Culture Handbook" (hereinafter referred to as the "Culture Handbook") for the first time. The "Culture Handbook" elaborates on "What is the company? What is it not? What does it do? What does it not do?" through the sections of Concept, Management, and Employees. It strengthens the company's core values and provides a standard for employee behavior.



Our Vision

- Become a global leader in silicon materials



Our Mission

- Customized silicon materials
- Create value for customers
- Realize the dreams of employees
- Contribute to society



Our Value

- Customer-centric
- Driven by innovation
- Long-term hard work
- Insist on self-criticism

Cultural Practice Achievements

Consolidating the Cultural Core, Unleashing Organizational Vitality

Corporate culture training

New employees are the fresh blood of the company, and onboarding training is the first step for employees to get in touch with the corporate culture. The company introduces its history, core values, mission, and vision to the employees through the cultural training for new hires.

Corporate culture promotion

Create a prominent cultural promotion area within the company's office space, such as cultural walls and bulletin boards, to display the company's core values, mission and vision, team spirit, and stories of outstanding employees. To enhance the promotional effect, the company encourages employees to actively contribute, such as sharing their understanding of the company culture and stories of implementation.

Cultural theme activities

The company regularly organizes various corporate cultural theme activities, such as Spring Festival and Mid-Autumn Festival events, integrating corporate culture into specific activities, so that employees can deeply experience and practice the corporate culture.

Cultural Promotion Ambassador

The company is cultivating a team of professional cultural ambassadors, who serve as an important force in promoting the implementation of corporate culture. These cultural ambassadors come from various departments within the company, possessing rich work experience and excellent communication skills.

Cultural Practice Reward

Employees who demonstrate excellence in practicing corporate culture will be given cash rewards to encourage more employees to actively engage in the corporate culture. For employees who are not doing well in practicing the corporate culture, timely communication and guidance will be provided to help them improve.

Creation of cultural atmosphere

The company pays attention to the physical and mental health of its employees, providing facilities such as gyms and lounges to offer them a place to relax. By creating a positive and upward work environment, employees are encouraged to practice the corporate culture in a pleasant atmosphere.

Value-based stories

Customer-centric

Over-investing in resources to address customer needs

In a certain year, the company onboarded a startup client. The client's business was in its initial stage with scattered production areas, low demand for silica, but a wide variety of product models, making delivery times and costs difficult to control. Faced with the dilemma of meeting customer needs and managing production costs, the company adhered to a customer-centric approach, investing additional resources to develop a new logistics company, solving the delivery challenge for the client. The company fully supported the client's development, helping them overcome difficulties and achieve performance growth, which was highly recognized by the client. Currently, the company has become an important strategic partner of the client, establishing a long-term cooperative relationship between the two parties.

Adhere to self-criticism

Optimization of management trainee training to assist in enterprise growth

The first talent cultivation program for management trainees at Jinsanjiang faced difficulties in implementation. The company actively confronted its shortcomings and courageously engaged in self-criticism. The Human Resources Center took on the responsibility for the improvement and execution tracking of the management trainee program, ensuring that the first batch of trainees enhanced their professional abilities through systematic training, fostering a positive interaction between personal growth and the company's development.

Case Ceremony Honoring the Practice of Cultural Values

To deepen the practice of the company's cultural values and implement them in the behavior of employees, the company launched a monthly "Outstanding Representatives Selection for the Practice of Cultural Values and Behavioral Performance" activity.



Cultural Values Practice

Cultural heritage and development Conveying the essence of culture, stimulating new energy within organizations

Corporate culture serves as the "endogenous gravity" for a company's development and is the source that propels continuous progress within the enterprise. With the rapid development of the social economy and the constant changes in the humanistic environment, the company's cultural philosophy is also keeping pace with the times, continuously enriching its connotations and extensions. In the process of cultural heritage and development. The company adheres to the following principles.:



Enhance the
spread of corporate
cultural concepts

- First, the company will produce corporate culture promotional materials, such as posters, videos, brochures, etc., presenting the core values in a vivid manner. These cultural promotional materials should be placed in conspicuous locations such as office areas, canteens, elevator lobbies, etc., allowing employees to encounter them in their daily work.
- Second, enhance corporate culture training: For new employees, incorporate corporate culture into the mandatory content of onboarding training; for current employees, regularly organize in-depth corporate culture training sessions to help employees understand the corporate culture.
- Third, the company's senior management leads by example, becoming practitioners and promoters of the corporate culture. At the same time, they encourage employees to share stories of implementing the corporate culture in their work, creating a profound cultural atmosphere.



Enhance the concept
of sustainable
development

As a part of society, it is the indispensable mission of a company to undertake social responsibilities and promote sustainable development.

- First, the company advocates green office practices internally, such as conserving energy, reducing paper waste, and promoting recyclable materials, to create an environmentally friendly atmosphere.
- Second, the company actively participates in public welfare activities, such as poverty alleviation, education, environmental protection, and other charitable initiatives. The company plans to establish a volunteer team to organize employees to participate in public welfare activities, contributing to society.
- Third, the company focuses on sustainable development in its business operations, such as optimizing supply chain management and promoting green production, to achieve a win-win situation for both economic and environmental benefits.



Deepen the
customer-oriented
culture

"Customer-centricity" is the foundation of the company's development, and the company has embedded a customer-oriented culture into its corporate values.

- First, the company continuously improves its customer feedback mechanism by collecting customer opinions through various channels and dealing with them in a timely manner, applying customer needs to the improvement of products and services.
- Second, strengthen the training of sales center staff to enhance their service awareness and capabilities. The training content includes communication skills, problem-solving abilities, and customer relationship management.
- Third, the company actively promotes excellent customer service experience and improves the overall service level.



Promoting the
digital transformation
of culture

The digital transformation of a company is not only a key to technological upgrade but also an important means to enhance the vitality of corporate culture.

- First, The company has deepened its digital strategy by incorporating cultural upgrade into its digital KPIs.
- Second, The company actively cultivates its employees' digital skills, encourages innovation and experimentation, and fosters a cultural atmosphere that supports digital exploration.
- Third, the company will strengthen the culture of data security and privacy protection, ensuring compliance with relevant laws and regulations during the digital transformation process, and protecting the data security of both the venture and its customers.



Enhance the culture
of employee care

Focusing on the growth and well-being of employees is a significant manifestation of corporate culture.

- First, the company will continue to provide a variety of benefits for employees, such as health checks, paid annual leave, holiday benefits, etc., focusing on the physical and mental health and living needs of employees.
- Second, the company formulates reasonable career development plans for employees, providing abundant training and promotion opportunities. In addition, the company establishes an internal talent market, allowing employees to fully develop within the company.
- Third, the company has established a mentorship program, assigning mentors to guide new employees in their work. Through the mentor's verbal instructions and personal example, the company's culture is passed down while also promoting communication and integration between new and veteran employees.

01

Refining Governance, Crafting a New Vision of Growth

Our Actions

- Improving Corporate Governance
- Implementation of Sustainable Development
- Strict Control of Compliance Risk
- Upholding Business Ethics
- Protection of Information Security

Our Performance

91 Times	➤	4 Times	87 Times
Total announcements		Regular reports	Interim announcements

16.7%
The proportion of female members
on the board of directors



Improving Corporate Governance

JSJ strictly adheres to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Regulations on the Governance of Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Guidelines for the Standardized Operation of Listed Companies on the ChiNext Market of Shenzhen Stock Exchange and other laws, regulations, and normative documents. It improves the company's governance structure, maintains a diversified board of directors, and protects the rights and interests of investors.

Governance Structure

JSJ has a mature governance structure, where the shareholders' meeting, board of directors, and the supervisory board (hereinafter collectively referred to as the "three meetings") each perform their duties with a high degree of collaboration, achieving a governance structure that includes decision-making, execution, and supervision. To ensure the operation of the "three meetings," the company has formulated the "Three Meetings Operation Manual," which clearly stipulates the requirements, processes, and related meeting documents for the convening of the three meetings, improving the efficiency and compliance of the company's three meetings.

1 Time

Total of general meeting of shareholders was held during the year

5 Times

Total of board meetings were held during the year

6 Times

Total of Supervisors' meetings were held during the year

Shareholders and Shareholders' Meetings

JSJ strictly follows the Company Law of the People's Republic of China, the Articles of Association, the Shareholders' Meeting Rules, and other laws, regulations, and internal normative documents. It strictly standardizes the processes for convening, holding, and voting at shareholders' meetings, ensuring that all shareholders have equal status and rights. During the reporting period, the company's shareholders' meetings were properly witnessed by external lawyers and conducted in accordance with relevant regulations, combining on-site and online voting to facilitate the participation of small and medium shareholders, fully safeguarding their rights and ensuring their equal position in company decision-making.

Directors and the Board of Directors

The company's board of directors includes an Audit Committee, a Strategy Committee, a Nomination Committee, and a Remuneration and Assessment Committee. Each committee works in concert, responsible for the company's finance and auditing, strategic decision-making, nominations, remuneration assessment, and ESG management according to the "Articles of Association," guiding the company's stable operations from different perspectives.

Supervisors and the Supervisory Board

The company's supervisory board consists of 3 supervisors, including 1 employee supervisor, meeting the requirements of the "Company Law of the People's Republic of China" and the "Articles of Association" and other corresponding laws and regulations. During the reporting period, the company's supervisors diligently performed their duties to inspect and supervise the company's financial status, as well as the performance of directors and senior management personnel, attended shareholders' meetings on time, participated in board meetings, and held supervisory meetings as required by regulations, actively safeguarding the legitimate rights and interests of the company and shareholders, ensuring the company's stable operation.

Board Diversity

JSJ considers board diversity as a key element for the company's sustainable development. The board of directors undergoes a re-election every three years, and the nomination of directors must go through a strict selection process, incorporating a variety of factors such as industry experience, professional skills, educational background, cultural background, age, and gender into the board election criteria.

The board members of JSJ possess industry experience in areas such as silicon dioxide and toothpaste, as well as professional skills in corporate management, finance, investment management, etc., enabling them to exchange diverse viewpoints effectively and assist the company in broadening its horizons and making optimal strategic decisions.

2 Persons
Independent directors

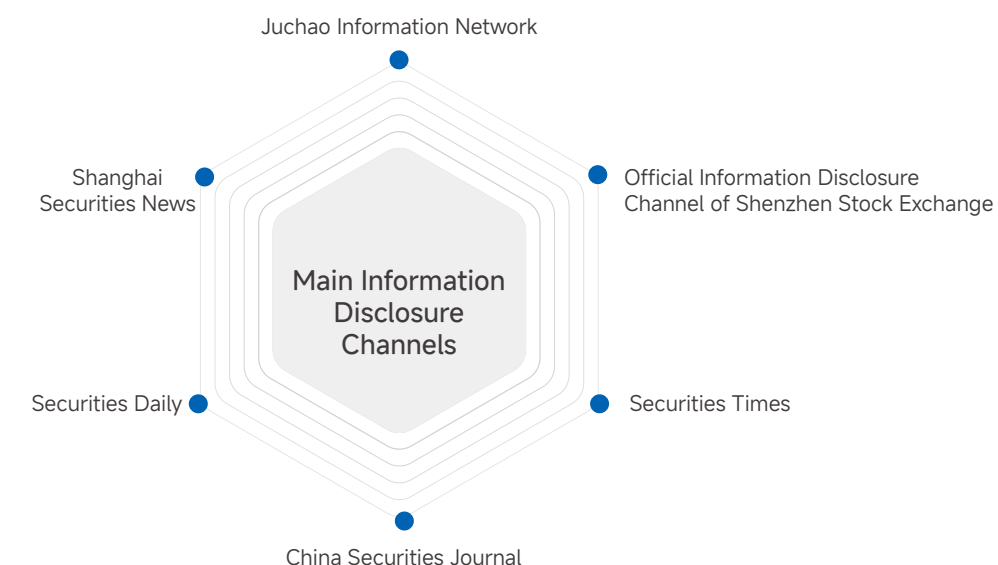
4 Persons
Non-independent directors

16.7 %
The proportion of female members on the board of directors

Investor Rights Protection

Information Disclosure

JSJ focuses on investor rights protection and strictly adheres to relevant laws and regulations such as the Management Measures for Information Disclosure of Listed Companies, to fulfill its information disclosure obligations. The company primarily discloses information such as company announcements, financial indicators, company policies, periodic reports, and company profiles to investors through the Juchao Information Network (<http://www.cninfo.com.cn/>). Additionally, the disclosed information will also be published in Securities Times, China Securities Journal, Securities Daily, and Shanghai Securities News. During the reporting period, the company has disclosed a total of 91 announcements, including 4 regular reports and 87 temporary announcements.



Rich and Various Information Disclosure Channels

Investor Relations

JSJ maintains good communication with investors. The Company fully understands the needs of investors through channels such as investor hotline, investor mailbox and on-site reception, and timely responds to investors' concerns about the Company's operation status and development strategy. During the reporting period, the Company carried out a few investor reception activities, including 2023 online annual results briefing, 2024 online precincts collective reception day activities, and outbound roadshow activities.

Case Investor on-site reception

JSJ led investors to visit the Intelligent Factory (Plant 2) and introduced to them the company's development history, operation, R&D innovation, ESG achievements, future layout, etc., to improve the transparency of corporate information, enhance investor confidence, and promote the integration of investor and corporate strategy.



Visiting investor reception

Implementation of Sustainable Development

JSJ believes that ESG is the cornerstone to support the high-quality development of enterprises. The Company continues to improve its ESG governance structure and management system and is committed to realizing the integration of sustainable development and the Company's performance growth. The Company actively accepts the demands of all stakeholders and works together with many stakeholders to realize the "Net Zero Goal".

Sustainability Governance

JSJ attaches great importance to the impact of its business on the environment and takes the United Nations Sustainable Development Goals (UN SDGs) as its program of action, actively contributing to the sustainable development of society and the environment.

The Company plans to establish a three-tier ESG governance structure covering the corporate governance, management, and executive levels: with the Board of Directors as the highest decision-making level for ESG governance, the ESG Committee to coordinate the Company's ESG work, and the ESG Specialized Group to implement ESG implementation. By clarifying the division of responsibilities at each level, the Company will ensure the effective implementation of ESG management and provide a strong guarantee for the Company's sustainable development.










Board of Directors	ESG Committee	ESG Specialized Team and Functional Departments
<ul style="list-style-type: none"> Responsible for reviewing and making final decisions on proposals submitted by the ESG Committee, including ESG-related objectives and materiality issues. Responsible for reviewing and signing off on the Company's annual ESG report. 	<ul style="list-style-type: none"> Develops ESG strategic plans, researches and makes recommendations on sustainability policies and regulations. Identify ESG-related risks and opportunities, guide management to formulate countermeasures, and oversee the implementation of risk prevention and control mechanisms. Design ESG management system, management structure and working mechanism, regularly evaluate ESG performance and optimize strategic objectives. Review ESG reports and submit them to the Board of Directors, and promote effective communication among stakeholders. The ESG Committee convenes meetings to discuss and consider the proposals submitted by the ESG Task Force, submits the results of the discussion to the Board of Directors, and provides feedback to the ESG Task Force. Supervise the achievement of the company's ESG objectives and regularly check the implementation of the company's ESG policies and tasks. 	<ul style="list-style-type: none"> The ESG Specialized Team is responsible for the preliminary preparation of the ESG Committee's decision-making, providing relevant information of the Company, and submitting formal proposals to the ESG Committee. The ESG Task Force is responsible for promoting the implementation of ESG objectives in relevant departments, organizing training and policy tracking. The ESG special team is responsible for collecting and compiling ESG data and preparing ESG reports. Each functional department is responsible for the implementation of specific ESG projects and supports the work of the ESG team.

JSJ's proposed ESG governance structure and responsibilities

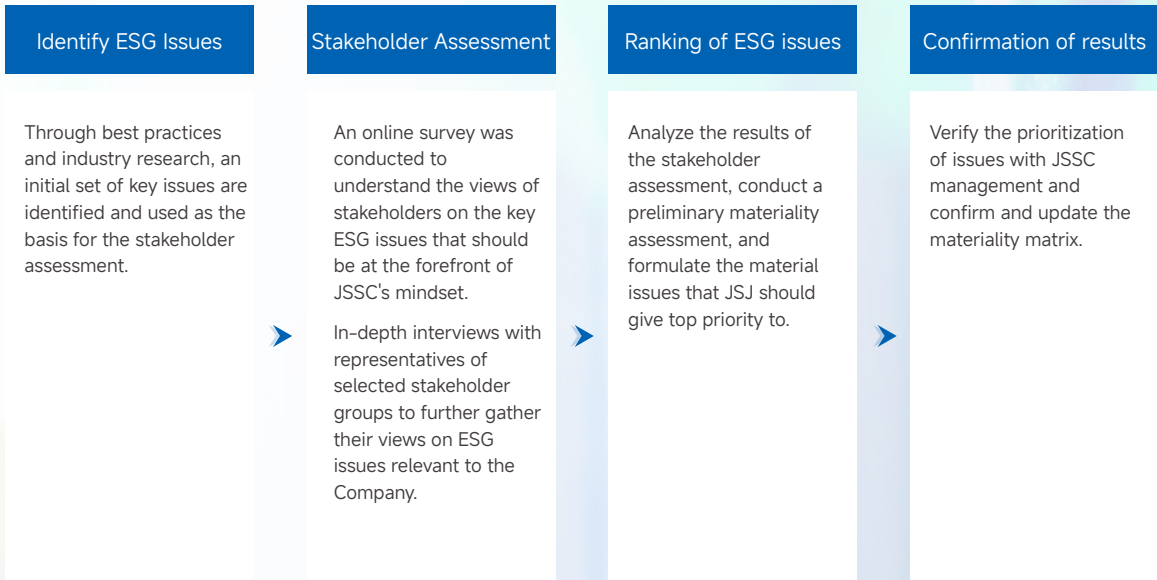
Stakeholder Communication

JSJ communicates deeply with stakeholders through multiple channels such as on-site research, interviews, and questionnaires, listens to the specific issues and demands that stakeholders are practically concerned about in terms of ESG, and responds to them in a timely manner.

Stakeholder Group	Main Communication Channels	Expectations and Demands	Communication and Response Methods
 Regulatory Bodies Government Departments	Information Submission Visits Reception Government-Enterprise Meetings	Lawful Operation Tax Payment Energy Saving and Emission Reduction	Lawful and Compliant Operation On-time and Full Tax Payment Production of Green Products
 Shareholders and Investors	Shareholders' Meeting Performance Explanation Meeting Investor Activities Company Website Hotline	Investment Returns Rights Protection Information Transparency Risk Control	Business Growth Corporate Governance Information Disclosure Internal Control Processes
 Customers	Hotline Email Customer Satisfaction Survey Customer Meetings	Product Quality Product Innovation Service Rights Protection Business Ethics Labour Rights Environment Protection	Quality Control R&D Investment Customized Solutions Customer Feedback Integrity and Anti-Corruption Employee Well-Being Green Operations
 Employees	Employee Activities General Manager Communication Email Internal Meetings WeChat Groups	Employee Rights Career Development Salary Benefits Health Safety	Compliance Employment Employee Training and Advancement Opportunities Salary and Benefits Safety
 Suppliers and Partners	On-site Inspection Supplier Audit Offline/Online Meetings	Business Ethics Product Quality and Safety Fair Bidding Long-term Cooperation	Supplier Management System On-site Factory Audit Project Procurement Supplier ESG Evaluation
 Media	Media Interviews Public Information Disclosure	Environmental Protection Corporate Social Responsibility Compliant Operation	Green Products Public Welfare Activities Corporate Governance
 Community and Public	Public Information Disclosure Community Activities	Support for Social Welfare Protection of Natural Environment	Public Welfare Activities Green Products

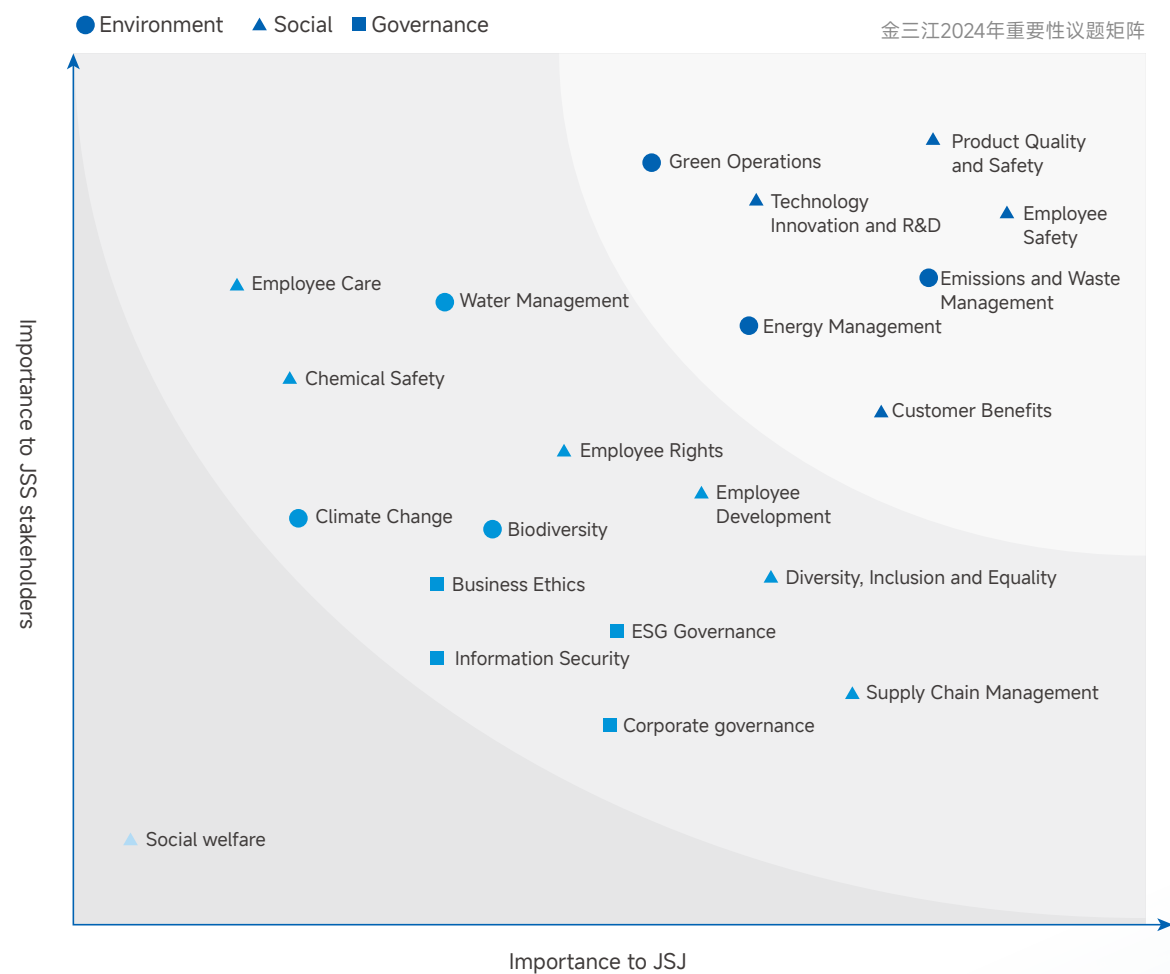
Analysis of Material Issues

During the reporting year, the Company collected, identified, and analyzed the issues of concern to various stakeholders, prioritized the issues by considering the degree of attention paid by various stakeholders to the ESG materiality issues and the actual situation of the Company's business development, and constructed a matrix of key issues to guide the Company's ESG decision-making and actions.



Process of identifying issues of importance on the JSJ Matrix

In 2024, the Company identified a total of **21** ESG material issues, including **7** highly material issues, **13** moderately material issues and 1 generally material issues.



Level of Importance	Issue	
● Highly Important Issues	Product Quality and Safety	Energy Management
	Employee Safety	Customer Benefits
	Emissions and Waste Management	Green Operations
	Technology Innovation and R&D	
● Moderately Important Issues	Employee Development	Corporate Governance
	Employee Rights	Water Management
	Climate Change	Business Ethics
	Supply Chain Management	Information Security
	Chemical Safety	Diversity, Inclusion and Equality
	Biodiversity	Employee Care
	ESG Governance	
● Generally Material Issues	Social Welfare	

Strict Control of Compliance Risk

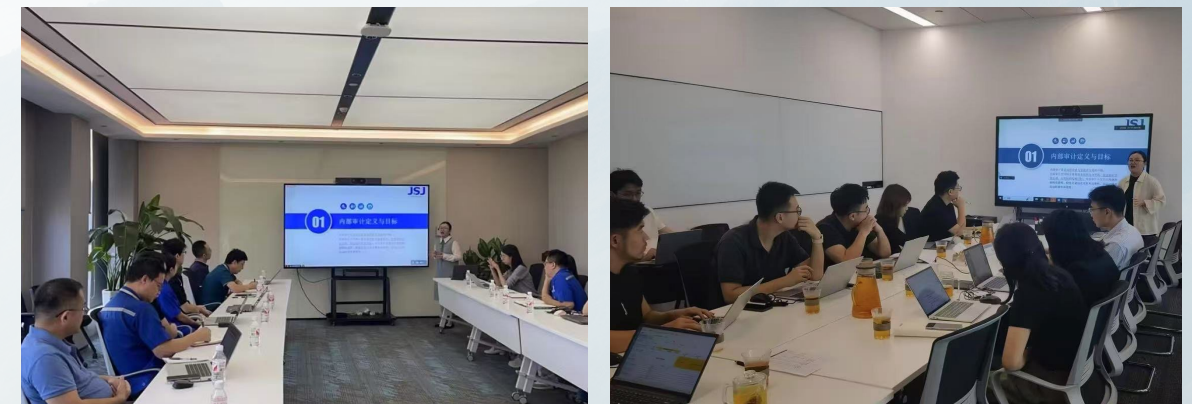
Internal Control Construction

JSJ considers a comprehensive risk management system as the cornerstone of the company's sustainable development. The company is continuously strengthening the construction of internal risk control, enhancing the intensity of audit supervision, and reducing compliance risks. According to the Notice on Further Strengthening the Management of Dormitories During the Normalization of Epidemic Prevention and Control, listed companies on the ChiNext Market of Shenzhen Stock Exchange and Beijing Stock Exchange should disclose internal control evaluation reports approved by the board of directors and internal control audit reports on financial reports issued by accounting firms starting from the annual report of 2024. To this end, the company has optimized its Internal Audit Management System and updated internal control rules.

During the reporting period, the company carried out several special audits covering procurement, logistics, planning, etc., providing improvement suggestions for relevant departments and enhancing the company's internal control level. At the same time, the company actively carried out internal audit training, promoting the necessity and process of internal audits to employees, and improving the compliance awareness of all staff.

Case Internal Audit Training

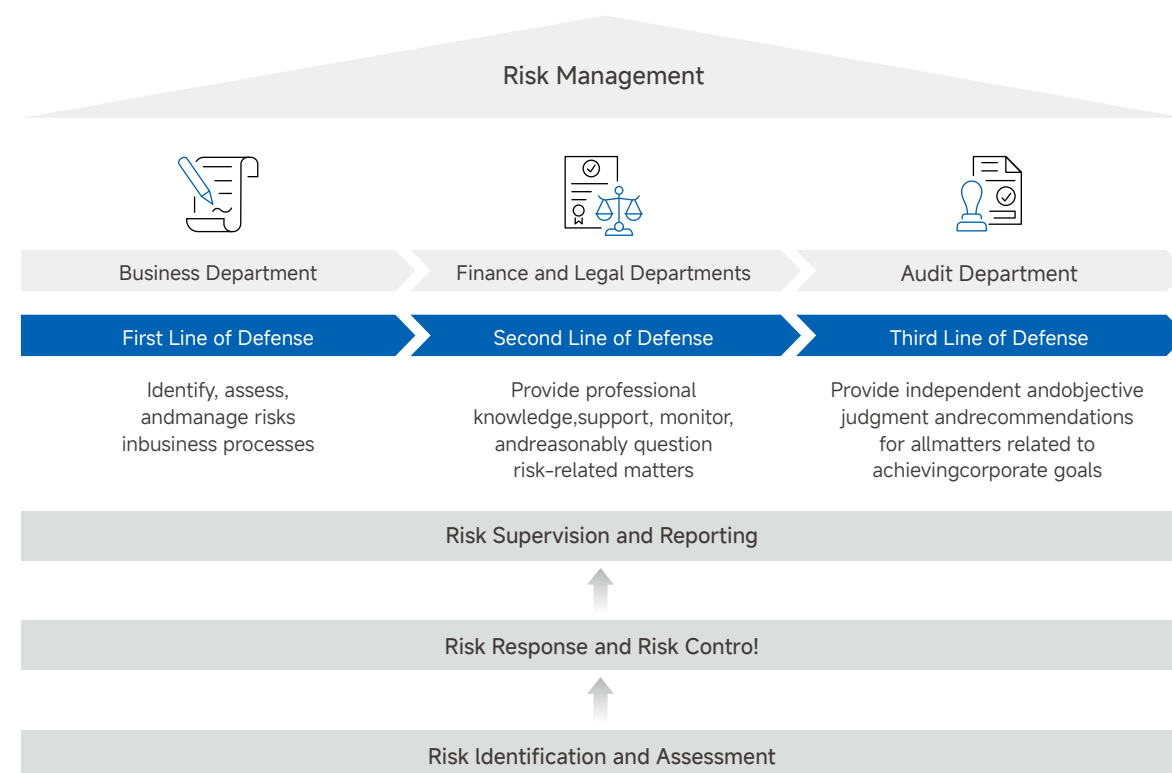
In 2024, the company carried out several internal audit trainings, covering employees in Guangzhou and Zhaoqing districts. The training aimed to help employees familiarize with the internal audit process, cultivate risk management awareness, and help the company operate soundly.



Internal Audit Training Site

Three Lines of Defense

In 2024, the company continued to refine the construction of the "three lines of defense" in risk management, clarifying the responsibilities of each department to ensure the company's stable and compliant operations.



"Three lines of defense" risk management mechanism

Anti-Money Laundering

The company complies with the Anti-Money Laundering Law of the People's Republic of China and enhances internal anti-money laundering compliance management to ensure business operates in compliance and safeguards financial security. The company actively cooperates with law enforcement agencies, regulatory authorities, and the financial industry, organizing financial center staff to participate in anti-money laundering training to improve their understanding and awareness of anti-money laundering work, ensuring that financial center staff can accurately implement anti-money laundering policies.

Anti-Unfair Competition

JSJ adheres to laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China and resolutely prohibits any actions that confuse the market and mislead consumers and does not use bribery or other unfair competitive means to seek trading opportunities. At the same time, the company respects and protects trade secrets and does not engage in false propaganda, committed to fostering a fair competitive market environment. In 2024, the company did not have any legal disputes related to unfair competition or anti-monopoly.

Regulatory Channels

360-degree Investigation

The company's human resources center conducts periodic 360-degree investigations on cadre supervision to monitor the performance of cadres over the long term.

Audit Investigation

The company's audit department conducts regular checks and supervision on the daily behavior standards of cadres in various centers to strictly prohibit corruption and abuse of power for personal gain.

Employee Reporting

All employees can supervise and report any irregular behavior of company cadres, timely exposing and correcting improper conduct.

Reporting Protection

The company has improved measures to protect reporters, resolutely safeguarding the legal rights and interests of reporters, requiring relevant departments to keep reporter information strictly confidential and prohibiting any discrimination or retaliatory actions.



Case Anti-Commercial Bribery Training

Anti-commercial bribery is an important part of JSJ's compliance management. To strengthen employees' awareness of business ethics, the company organized a special training on anti-commercial bribery in 2024. Through interpreting legal provisions and analyzing real cases, this training enables employees to deeply understand the harms of commercial bribery and establish a positive sense of integrity among them.



Anti-commercial bribery training

Upholding Business Ethics

JSJ strictly adheres to the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Interim Provisions on Prohibiting Business Bribery, and other laws and regulations. The company has established and implemented systems such as the Management System for Cadres to clearly define prohibited acts of bribery, solicitation, acceptance, provision of benefits, conflict of interest, and the consequences of penalties. The company resolutely opposes any form of business bribery, money laundering, and unfair competition, and is committed to creating an honest, fair, and transparent business environment to maintain good market order and industry image.

Anti-Bribery

The company has formulated and updated internal systems such as the Management System for Cadres and the Logistics Management System, and the audit department regularly conducts investigations into violations according to the internal audit procedures. In 2024, the company had 0 case of illegal acts resulting from fraud or corruption.

Protection of Information Security

JSJ abides by the laws and regulations of the People's Republic of China on Network Security, the People's Republic of China on Data Security, and the People's Republic of China on Personal Information Protection and attaches great importance to the information security of its customers, suppliers, and employees. In 2024 the Company formulated the "Management System for the Outward Dissemination of Information" to categorize the Company's information and set up the procedure for approving the outward transmission of such information. This system, together with the encryption system, reduces the risk of leakage of company information.

Formulation of processes

The processes of assessing the needs of outgoing materials, confirming the contents of outgoing materials, managing the process of outgoing materials, and regularly checking and cleaning the materials are standardized and strictly enforced.

Encryption Management

Encrypt all information. The outgoing information must be decrypted for approval, and can be read after approval. The company sets up decryption approval authority according to the type of information and strengthens password management.

Approval Traceability

The company has set up the "External Information Release Approval Form" in OA to ensure the information security of the outgoing information and the traceability of the information.

Risk Control of Outgoing Data

JSJ strictly manages data backup. For OA system, SAP system and other key business systems, JSJ adopts cloud service storage backup, and executes the daily difference backup strategy every night to accurately capture the data changes of the day and save them to ensure real-time data update. In addition, before any system changes or upgrades, the company will start a complete backup process to fully preserve system data, in order to ensure a smooth transition of business and data security.

In terms of enhancing employees' awareness of information security, in 2024, the Company popularized information security knowledge for all employees by organizing training on data security and privacy protection, and trained employees to handle information security cautiously. In the event of information leakage by employees due to personal reasons, the Company will impose disciplinary actions according to the severity of the incident. To strengthen the information security management of suppliers, the Company protects the information security of both parties through confidentiality agreements, supplier evaluation and other measures.



Case

Network Security Knowledge and Skills Training

In 2024, the company carried out information security training for all employees, which included basic concepts of network security, the current network security situation, the enterprise network security management system, and the security measures that employees should take in their work. Through example explanation and interactive discussion, the training enabled employees to deeply understand the importance of network security and master network security knowledge and skills.



02

Empowerment through Digital Intelligence, Innovation Leading a New Future

Our Actions

- Customer-Centric Service
- Deepening R&D Innovation
- Leading Intelligent Manufacturing
- Crafting Excellence in Quality
- Ensuring Safe Production

Our Performance

100%

The business scope covered by the company's
ISO 9001 quality management system certification

17.8169 million Yuan

R&D investment
amount

134 Items

Accumulated
patent authorizations

150 Items

Accumulated intellectual
property rights

50 Persons

Total R&D
personnel



Customer-Centric Service

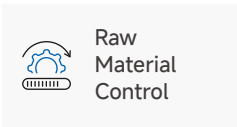
JSJ adheres to a customer-centric approach, upholding the service philosophy of “customer first and pursuit of excellence” to provide high quality service. The Company values customer needs and feedback, offers customized products, practices responsible marketing, safeguards customer rights, and enhances the overall customer experience and satisfaction.

Putting Customers First

The Company places great emphasis on customer health and safety, enhancing customer satisfaction by providing tailored solutions, implementing a professional Customer Relationship Management (CRM), establishing a scientific service framework, and creating an efficient response mechanism—all in line with its customer first ethos.


Customer Health and Safety

JSJ steadfastly upholds the baseline of customer health and safety by ensuring that all its products are safe and reliable. The silica produced by the Company meets food grade standards and has received a series of certifications, including ISO 22000 Food Safety Management System, Halal, and Kosher certifications. Moreover, the Company has established a three tier control mechanism—Raw Material Control, Production Control, and Quality Inspection Control—to guarantee customer health and safety.




Raw Material Control

The Company has established a rigorous supplier management system that prohibits the use of hazardous substances by raw material and auxiliary material suppliers, thereby reducing risks at the source.



Production Control

The entire production process is monitored and controlled by a Distributed Control System (DCS), ensuring that the processes remain reliable and stable.



Quality Inspection Control

JSJ has obtained ISO 9001:2015 Quality Management System certification and established a CNAS accredited laboratory. In addition, it has formulated standards such as the Silica Semi Finished Product Inspection Standard, Silica Finished Product Inspection Standard, and Microbial Control Points for Production Workshops to enforce rigorous quality testing of both semi finished and finished products.

Customer Satisfaction

Customized Solutions

JSJ consistently maintains a customer centric approach by providing customized products and solutions. The Company has established a comprehensive service system—from needs identification to product development and after sales support—that creates long term value for its customers.

System-wide Demand Discovery

JSJ has established an efficient cross-departmental collaboration mechanism among its marketing,R&D,production,and sales teams.Through regular visits and market research,theCompany thoroughly uncovers customer needs to ensure that its products and services closely match real-world requirements and to respond to customer demands promptly.

Customized Product Development

Positioning itself as the "exclusive designer"for its clients,Jinsanjiang leverages its deep understanding of client needs and industry trends to facilitate seamless collaboration across multiple departments. This enables the Company to significantly shortens the development cycle,identifies industry pain points,and taps into market potential to accelerate the R&D process.Ultimately,JSG develops high value-added products that meet market and customer demands,offering tailor-made products and service solutions.

High-Quality After-Sales Support

JSJ promptly addresses customer feedback by accurately conveying issues to the factory. Thisensures that customer concerns are thoroughly understood, analyzed, and resolved withdedicated solutions.

Multi-format Customer Training

JSJ offers a variety of training initiatives-including online courses,on-site operational guidance,and technical exchange sessions-to help customers master product applications and enhance their overall experience.

Case JSJ Factory Hosts an In-Depth Research Visit by Overseas Customer Representatives

In July 2024, overseas customer representatives visited the JSJ factory for an in-depth research tour, accompanied by heads of the R&D, marketing, and sales centers. The delegation engaged in extensive discussions on JSJ’ s corporate profile and product manufacturing processes. This visit holds significant strategic importance for fostering deeper collaboration between both parties.



Overseas Customer Representatives Visited the JSJ factory

Specialized Management System

To continuously enhance customer experience, the Company has comprehensively upgraded its Customer Relationship Management (CRM) system.

Accurate Demand Insights

Utilizing intelligent data analysis, JSJ identifies customer needs and preferences, enabling the Company to deliver personalized services that enhance the overall customer experience.

Efficient Collaborative Management

From production planning to product delivery, the entire process is seamlessly integrated, optimizing resource allocation. This not only reduces operational costs but also ensures the efficient functioning of the supply chain.

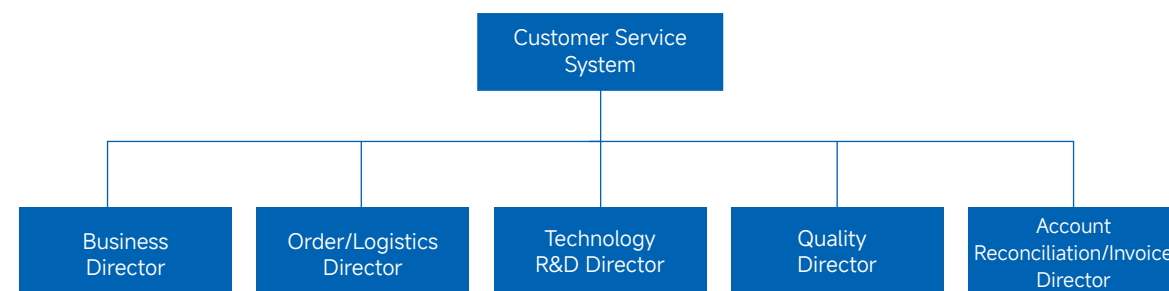
Real-Time Monitoring

Sales personnel can access the latest sales data and order statuses anytime, anywhere. This immediate access allows them to swiftly respond to market demands, thereby enhancing service efficiency and customer satisfaction.

Overview of CRM System Functions

Scientific Service System

JSJ has implemented a Sales Center Management System and built an efficient customer service framework that unites all departments in delivering exceptional service to its customers.



Customer Service System

In addition, JSJ regularly conducts customer satisfaction surveys to understand customer needs regarding product quality, on-time delivery, and after-sales service. Valuing every customer's feedback, the Company has developed an integrated Sales R&D service solution that effectively addresses both technical product requirements and delivery service expectations.



Accompanying Customers on a Factory Tour

JSJ places a high priority on customer experience. During the reporting period, the Company updated and implemented its Customer Complaint Handling Regulations and Complaint Event Management System to further standardize the complaint process, streamline its complaint channels, and improve resolution efficiency.

Responsible Marketing

JSJ is committed to operating with integrity and placing responsibility first. It strictly complies with the Advertising Law of the People's Republic of China, the Consumer Rights Protection Law of the People's Republic of China, and other relevant regulations to ensure that its marketing practices are proper. To further strengthen internal controls, the Company has established an External Communication Materials Management System and implemented an approval mechanism for marketing materials.

JSJ rigorously oversees its promotional content, distribution channels, marketing activities, and bidding processes to ensure that all marketing communications faithfully reflect the features of its products and services. These communications are crafted to be accurate, clear, and easily understood, while also ensuring fairness and equity in all transactions. Moreover, the Company has enhanced its internal control and audit processes to strictly penalize any fraudulent behavior in its marketing practices. Looking ahead, JSJ will continue to implement its responsible marketing policy, holding itself accountable to both its customers and society.

Responsible Marketing Training

To ensure the thorough implementation of its responsible marketing policy, the Company's Sales Center organized comprehensive training sessions for all sales personnel, ensuring that every team member fully understands and adheres to the responsible marketing requirements.



Responsible Marketing Training

In 2024, JSJ organized a dedicated responsible marketing training session for its Sales Center staff. The training addressed key topics such as building and maintaining customer trust, the importance of responsible marketing, and the specific requirements involved. This initiative helped standardize marketing language and practices across the team, collectively fostering greater transparency and integrity in market activities.



Responsible Marketing Training Session



Responsibilities of
the R&D Center

- Collaborate with the Marketing Center to formulate product strategies and forecast future trends;
- Manage and improve technical processes to reduce the cost of mature products and stabilize product quality;
- Provide technical support to customers and resolve technical issues encountered during product usage;
- Collaborate with universities and testing institutions in product development.
- Oversee the R&D of company products and drive new product development;
- Interface with customers in the early stages to align on product standards, validate testing methods, and integrate these standards internally;
- Handle project submissions by applying for government subsidized technology development projects and technology invention awards at various levels;



R&D
investment

In 2024, JSJ' s R&D investment reached 17,816,925.16 RMB



R&D
Talent

As of December 31, 2024, the Company employed 50 R&D personnel, accounting for 13.37% of the total workforce;



R&D
Equipment

The Company has equipped its R&D laboratories with ample advanced analytical instruments. The R&D laboratory at the Intelligent Factory (Factory II) can accommodate up to 100 personnel simultaneously;



R&D
Incentives

JSJ has formulated and implemented the R&D Team Special Incentive Management Measures, which clearly define the incentive details. Eight awards have been established—Project Progress Award, New Product Market Benefit Award, Customer Service Award, Patent Application Award, Project Submission Award, High Quality Product Award, Technology Progress Award, and Process Improvement Award—to provide generous cash rewards to those who achieve significant R&D breakthroughs.



Key R&D
Achievements

Provincial Level

- Guangdong Engineering Technology Research Center for Functional Silica
- Guangdong Provincial Enterprise Technology Center
- Guangdong Province Innovation Method Promotion and Application Demonstration Cultivation Enterprise
- Guangdong Model Worker and Talented Craftsperson Innovation Studio

Municipal Level

- Zhaoqing Engineering Technology Research and Development Center for Functional Silica
- Zhaoqing Model Worker and Talented Craftsperson Innovation Studio

Deepening R&D Innovation

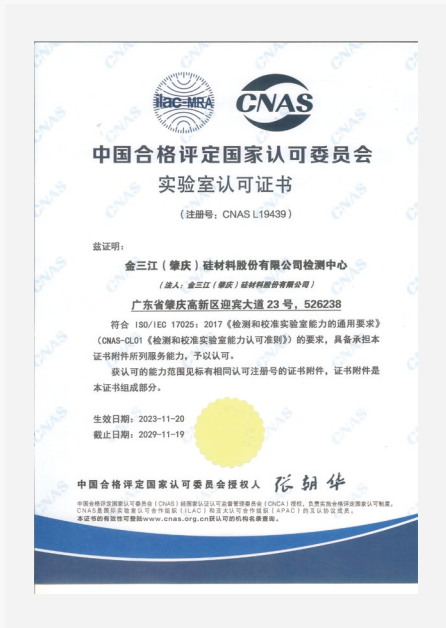
R&D innovation is the driving force behind sustainable corporate growth. Since its inception, JSJ has consistently pursued independent research and development in the fields of silica products for toothpaste, food & cosmetics, batteries, silicone rubber, and defoamers. Through an integrated four-dimensional strategy—encompassing R&D Management, Innovative Products, R&D Layout, and IP Protection—the Company has cemented its technological leadership in the silica industry.

R&D Management

The Company has built a comprehensive R&D management system and developed key documents such as the New R&D Center Management System, the New Product Development Management Regulations (Trial), and the R&D Demand Management Process Manual. These frameworks address critical issues including the allocation of R&D resources, management of R&D needs, and new product development.



Laboratory



CNAS Certification Certificate

Innovative Products

JSJ continuously drives the commercialization of its R&D achievements. Several key innovations have filled industry gaps and injected fresh dynamism into the market. The Company successfully launched a low oil absorption silica for silicone rubber applications whose exceptional performance offers a breakthrough opportunity for industry transformation. In addition, JSJ has developed a silicone rubber-specific silica product that is set to revolutionize the precipitated adhesive sector. Significant progress has also been made in developing new colored particles, further expanding the Company’s product matrix.

ORASIL 117T

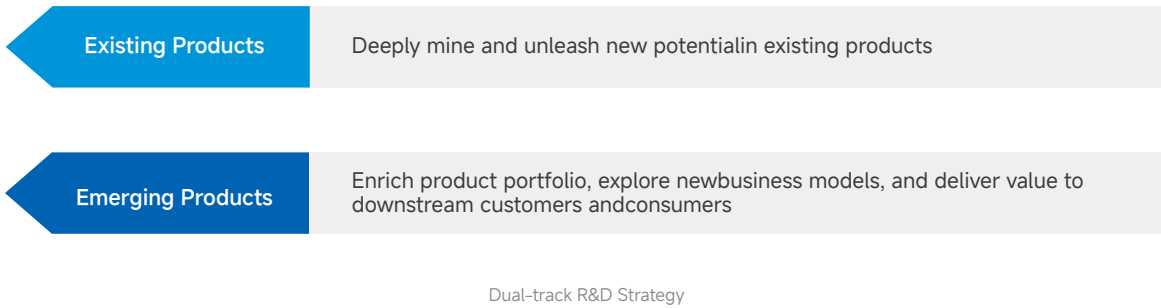
Feature

- High whiteness, uniform particle size distribution;
- High fluorine compatibility (≥90%);
- Good compatibility with other toothpaste components such as flavor;
- Provide medium abrasive cleaning ability;
- Good transparency under the low refractive index.




Index	Test Method	Technical Data	Test Result
Whiteness (Wg) %	QB/T2346-2015	≥96	98.91
Oil Absorption (g/100g)	ASTM D281	95-125	104
Water Absorption (ml/20g)	QB/T2346-2015	17-25	18.9
1000°C Loss on Ignition %	QB/T2346-2015	≤8.5	5.38
105°C Loss on Drying %	QB/T2346-2015	≤8	8.43
Purity as SiO ₂ %	QB/T2346-2015	≥96	98.50
Total Salts (as Na ₂ SO ₄ +NaCl) %	QB/T2346-2015	≤2	0.67
pH (5%Slurry)	QB/T2346-2015	7.2-8.2	7.67
light transmittance %	QB/T2346-2007	≥90	97.9
Apparent Density g/ml	QB/T2346-2007	0.30-0.45	0.41
Median Particle Size-D ₅₀ μm	GB/T19077-2016	6-14	12.0

R&D Layout

JSJ places great emphasis on its R&D strategy and continuously develops innovative products. The Company adopts a “dual-track” R&D strategy.



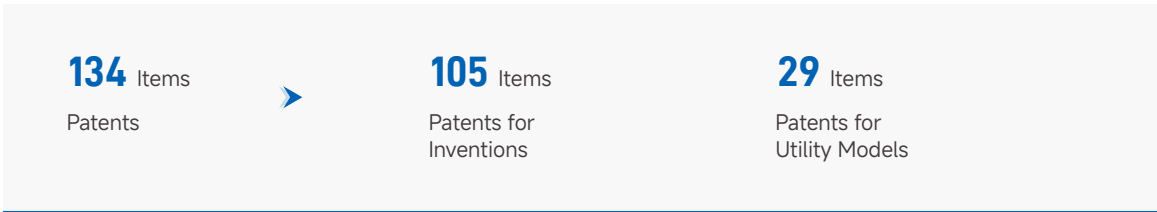
During the reporting period, JSJ introduced several technological innovations for its existing product lines. Some of these innovations have matured and will be integrated into a new series of toothpaste products, delivering premium quality to customers. Meanwhile, the company continues to deepen its efforts in the high-performance industrial and opening agent sectors, accelerating the rollout of new technologies.

Product Portfolio	Technical Advantages (Selected)
 Toothpaste	<p>Low Oil Absorption and Low Wear Silica for Toothpaste and Its Preparation Process: The low oil absorption and low wear silica for toothpaste exhibits low friction performance, excellent cleaning efficiency, and a low oil absorption value. Toothpaste formulated with this product effectively minimizes tooth damage during cleaning while also offering a whitening effect.</p> <p>Low Specific Surface Area Silica: This product complies with EU regulations regarding non-nano silica, making it suitable for toothpaste manufacturers with such requirements.</p>
 High-Performance Industrial Applications	<p>Research on high-performance industrial silica materials: Replacing part of the fumed silica by developing a silica used in the silicone rubber field that functions as a highly transparent and low water absorption, and meet the diverse needs of our customers.</p>
 Anti-Blocking Agent	<p>Silica for Anti-Blocking Agent: Has stable physical and chemical properties, provides an excellent anti-blocking effect, and widely used in PE, PP, PET and other polyolefin, polyester films.</p>

Intellectual Property Protection

JSJ strictly adheres to the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and other relevant legislation. The Company has formulated and implemented a series of specialized intellectual property protection policies—including the Intellectual Property Management Manual, the Patent Management System, the Intellectual Property Rewards and Penalties Management Measures, and the Confidentiality Management System—to further clarify procedures for trademark and patent applications. During the reporting period, the Company recorded zero intellectual property infringement lawsuits. In addition, JSJ provides comprehensive intellectual property training for its employees to continuously enhance their awareness of protecting intellectual property and to safeguard the Company’s legal rights in accordance with the law.


As of December 31, 2024, Jinsanjiang has obtained a total of 134 patent authorizations , including 105 patents granted and 29 utility model patents.



Case “Patent Search, Technical Disclosure Writing, and Mining – Materials Chemistry Focus” Training

In January 2024, the R&D Center organized a training session on “Patent Search, Technical Disclosure Writing, and Mining – Materials Chemistry Focus” for all employees. External experts were invited to share insights on patent search techniques, drafting technical disclosure documents, and patent mining methods. This session equipped R&D staff with practical skills in intellectual property protection to support the Company’s technological innovations.

JSJ continues to advance its intellectual property management efforts and consistently improves its IP management system, having successfully passed the GB/T29490-2013 Enterprise Intellectual Property Management Standard audit.



Intellectual Property Management System Certification Certificate



JSJ has been shortlisted as a national "Specialized, Refined, Special, and New – Little Giant" enterprise for 2024

Guided by an innovation-driven corporate culture, JSJ has been shortlisted as a national "Specialized, Refined, Special, and New – Little Giant" enterprise for 2024. Moving forward, JSJ will continue to adhere to the "Specialized, Refined, Special, and New" development philosophy. Building on this recognition, the Company will further increase R&D investment, strengthen its technical R&D team, and accelerate the production and transformation of innovative achievements, thereby contributing even more to the continuous advancement of the silica materials industry and to national economic development.



JSJ has been shortlisted as a national "Specialized, Refined, Special, and New – Little Giant" enterprise for 2024

Continuous on-line preparation of raw materials

- Sulfuric acid/sodium silicate preparation processes are equipped with on-line densimeter to achieve continuous on-line preparation;
- Compared with traditional mode, this may significantly improve the accuracy and qualification rate of reagents, as well as the efficiency of reagent modulation.

On-line detection equipment for pressure filtration process

- The pressure filtration process is equipped with equipment, including on-line electrical conductivity detection instrument, to accurately control salt content of product through variable-frequency washing and hot water washing;
- Compared with traditional process, this may significantly improve material washing efficiency and material qualification rate.

On-line detection equipment for reaction process

- The pressure filtration process is equipped with equipment, including on-line electrical conductivity detection instrument, to accurately control salt content of product through variable-frequency washing and hot water washing;
- Compared with traditional process, this may significantly improve material washing efficiency and material qualification rate.

Automated packaging system

- Metal detector, reweighing machine, on-line ink-jet printing machine, coating machine and other equipment are configured to achieve efficient weighing, packaging, re-inspection and film packaging for warehousing;
- Compared with the traditional mode, this may significantly strengthen packaging efficiency, reduce the risk of broken packets, and make a better appearance of product.

Water treatment system

- Full intelligent control soft water treatment system that is equipped with ion exchanger, sand filter tower, on-line pH meter, UV disinfection instrument and other equipments is used to achieve efficient removal of impurities in product;
- Compared with traditional mode, this may better ensure microbial and biological properties.

Automated Production Equipment and Systems

Leading Intelligent Manufacturing

The Company actively embraces the national digital transformation strategy by establishing an end-to-end automated production system and integrating systems such as SAP, DCS, Energy Management, R&D, CRM, and OA. This integration has produced a unified "five in one" digital management platform that encompasses business management, intelligent manufacturing, energy management, R&D management, and collaborative office functions. At present, JSJ has largely achieved seamless interconnectivity among production equipment, production processes, production orders, production planning, and material distribution, which has enhanced product quality, green manufacturing, and safe production—thereby elevating its overall intelligent manufacturing capabilities.

Intelligent Manufacturing Upgrade



Automated Production

JSJ has established an end-to-end automated manufacturing system that covers the entire production cycle from raw material feeding to finished product packaging. The Company continuously introduces advanced automated equipment to reduce the risk of safety incidents and to improve product quality.



JSJ & Jinan University Research Group Symposium on the Effective Integration of the Digital and Real Economies

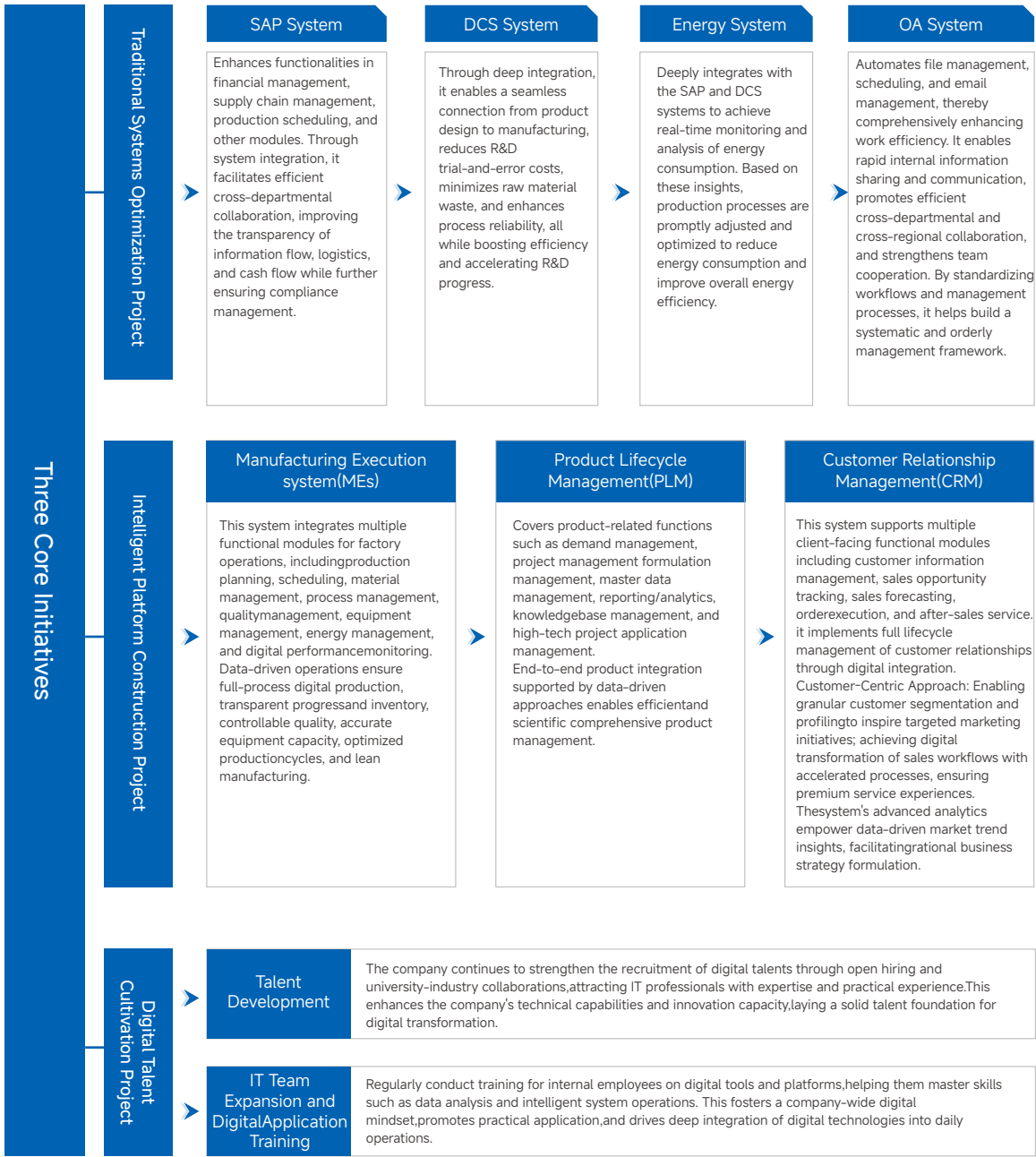
On September 18, 2024, JSJ hosted a research team composed of professors and students from Jinan University, Guangzhou University, and Guangdong University of Foreign Studies. The purpose of this symposium was to gain in-depth insights into the Company's practical experiences in integrating the digital economy with the real economy. During the session, the head of JSJ's Information Department introduced the Company's digitalization, informatization, and automation progress as well as its future development direction. The research team also provided valuable suggestions for advancing JSJ's digital transformation.



Group Photo of JSJ with the Research Team

Digital Transformation

The Company actively embraces digital transformation, striving to achieve "digitization of all business processes and data-driven business operations". During the reporting period, the Company deployed three core initiatives: the Traditional Systems Optimization Project, the Intelligent Platform Construction Project, and the Digital Talent Cultivation Project.



Three Core Initiatives

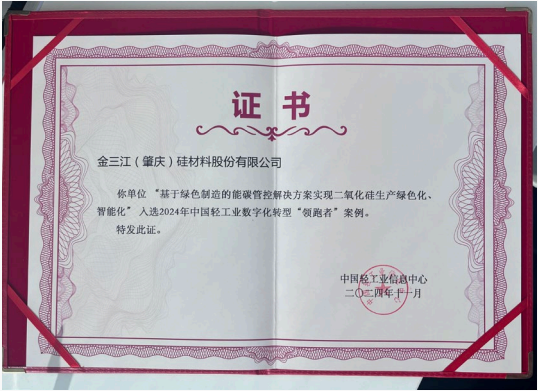
Currently, the Company has completed the initial cloud migration of its core business data, achieving inter-departmental data integration. Under an ESG-oriented approach, JSJ is exploring the integration of environmental, social, and governance performance indicators into its project evaluation system, ensuring that digital investments are aligned with sustainable development goals.



Case

Selected for the "2024 China Light Industry Digital Transformation Dual Ranking Lists"

Leveraging its outstanding performance in digital transformation, JSJ was successfully included in the "2024 China Light Industry Digital Transformation Dual Ranking Lists." The Company's capabilities in intelligent manufacturing, digital operations, and supply chain management have been widely acknowledged by the industry. As a result of its digital transformation initiatives, JSJ has significantly enhanced its production efficiency and product quality.



Selected for the "2024 China Light Industry Digital Transformation Dual Ranking Lists"

Ensuring Safe Production

The Company regards safety as the cornerstone of its development and upholds the safety policy of "Safety First, Prevention-Based, Safe Development, People-Oriented". In compliance with the Safety Production Law, the Law on the Prevention and Control of Occupational Diseases, the Fire Protection Law, the Special Equipment Safety Law, the Environmental Protection Law, the Rules for Safety Risk Zoning and Grading in Chemical Enterprises, and other relevant regulations, the Company has established a sound safety management mechanism. It has formulated a series of policies and procedures—including the Fire Safety Management Regulations, the High Altitude Operations Safety Management Regulations, the Temporary Electrical Work Safety Management Regulations, the Labor Protection System for Female Workers, and the Hazardous Chemicals Management Regulations—to continuously optimize on-site safety management and ensure both employee safety and uninterrupted operation of production.

Safety Culture Cultivation

The Company places the safety and health of its employees as its top priority and has built a robust safety culture. By organizing safety production meetings, safety training sessions, team-level safety initiatives, safety inspections, Safety Culture Month activities, and safety model selections, all employees have developed a strong awareness of and commitment to safety goals, thereby creating a pervasive safety culture. To further reinforce this culture, a Safety Culture Implementation Team has been established. This team has set milestone targets for safety culture development across six dimensions—safety leadership, safety learning, safety incentives, safety assurance, safety behavior, and safety communication—and is implementing phased action plans accordingly.

Safety Policy

- Safety First
- Prevention as the Priority
- Safety-driven Growth
- People-oriented

Safety Vision

- Act Together
- Build a self-motivated and mutually supportive safety culture
- Share Safety

"Top Ten Safety Production Norms" and the "Four No-Harm Principles"

Based on this foundation, the Company has further clarified its safety policy and vision by formulating the "Top Ten Safety Production Norms" and the "Four No-Harm Principles". These guidelines provide clear standards and goal orientations for all employees, ensuring that the safety culture is deeply ingrained and effectively implemented.



Safety Production Signage

Case

Medical Emergency Training

In November 2024, the Company invited Sihui Cihang Hospital to conduct a medical emergency training session in the Company cafeteria. The training aimed to impart basic first aid knowledge and equip employees with essential emergency response skills.



Medical Emergency Training Session

Case

Safety and Environment Drill

In November 2024, the Company conducted both a fire extinguishing drill and an emergency evacuation drill. During the fire drill, members of the fire emergency team used fire extinguishers and hydrants in practical exercises to demonstrate proper operating procedures to employees from all departments. At the same time, all employees participated in the emergency evacuation drill. Upon hearing the alarm, they followed a predetermined evacuation route—covering their mouths and noses—and proceeded in an orderly manner to the designated assembly point, where they awaited instructions from the overall emergency commander. A meticulous headcount confirmed that every individual had successfully evacuated. This exercise reinforced the employees' emergency evacuation skills and validated the effectiveness of the evacuation plan.



Safety and Environment Drill Training Session

Safety Production Management

JSJ consistently adheres to the production principle of "Taking Action Together for Safety". In terms of safety production governance, the Company has established a Safety Production Committee. The committee's presidium—comprising the President, the Deputy General Manager, and the Plant Director—is responsible for coordinating overall safety management, formulating safety production policies and objectives, and supervising their implementation. A Committee Office under the presidium oversees and enforces these safety management measures. In 2024, the Safety Management Committee expanded its membership by inviting representatives from Procurement, Finance, and R&D to attend quarterly meetings as special invitees, where they actively offered suggestions and supported the implementation of related actions.



Safety Goals
and Principles

- Zero Accidents
- Safety as a Core



Safety
Principles

- Everyone is responsible for his or her own safety: line management is accountable for providing a safe and healthy workplace.
- Training for all employees, contractors and visitors is essential to safety in the workplace.
- Working safely and in accordance with our rules and procedures is an important part of work at JSJ.
- Recognizing hazards, evaluating and controlling risk is a key part of our safety culture.
- Employees and Contractors will never walk past an unsafe act or condition—we will always make it safe before we leave.
- As a learning organization, we will take every opportunity to ensure we continuously improve our safety performance and behaviors.



Safe
Operations

- Enhanced Organizational Structure: The Safety and Environment Management Department was upgraded from a secondary to a primary department, placed under the direct management of the General Manager's Office, and now oversees company wide safety management.
- Increased Manpower: The number of safety management personnel was increased from 2 to 5, thereby improving both efficiency and impact.
- Establishment of a Safety Coordinator Team: Each center/department has appointed one part-time safety coordinator to act as a liaison, ensuring that safety policies are communicated to every employee.
- Upgraded Equipment Safety: To ensure the safe use of tools and equipment, the Company has provided additional European standard scaffolding for the Maintenance Department, extra mobile platforms for the Production Department, installed safety canopies on forklifts in the Supply Chain Center, upgraded to new gas detectors, and added fall protection devices.
- Improved PPE Management: The Company has reinforced the management of personal protective equipment (PPE) by establishing a minimum PPE usage matrix for different positions, thereby enhancing the comfort of PPE while maintaining its safety standards.

Hazardous Chemicals Management

The Company strictly adheres to the Regulations on the Safety Management of Hazardous Chemicals and other relevant laws, and has formulated and implemented Regulations on Hazardous Chemicals Management, Procurement and Management Regulations for Chemical Laboratory Materials, and Work Instruction for Chemical Reagent Management. These measures standardize the entire process of chemical procurement, storage, issuance, and use, thereby reducing the risk of accidents. Furthermore, the Company has established a management mechanism in accordance with EU REACH regulations to identify and assess the safety and environmental risks of chemicals and gradually phase out high-risk chemicals, ensuring product safety.



EU REACH Certification

Chemical
Procurement

Before purchasing hazardous chemicals, the Company is required to submit a declaration to the regulatory authorities and obtain approval. Chemicals included in the "Catalogue of Used Cosmetic Raw Materials" are procured following internal approval; otherwise, the R&D Center must review and confirm the feasibility of procurement. The R&D Center, following the Procurement and Management Regulations for Chemical Laboratory Materials, implements specialized management by rigorously verifying supplier qualifications to ensure that procurement is both legal and safe.

Chemical
Issuance
and Use

The Company strictly adheres to the "5 Doubles" system for the issuance of hazardous chemicals—double custody, double locking, double ledgers, double delivery, and double receipt—to ensure compliance. The Quality Center monitors the usage of chemical reagents throughout the process in accordance with the Work Instruction for Chemical Reagent Management, thereby reducing usage risks.

Supplier Safety Management

In 2024, the Company formulated or updated documents including Engineering Safety Construction Management Agreement, Safety Production Management Agreement, Contractor Employee Safety Responsibility Commitment (for hazardous chemicals such as concentrated sulfuric acid), and the External Personnel Work Safety Commitment (to be signed by personnel entering the production area). All engineering and sulfuric acid suppliers are required to sign relevant documents prior to entering the JSJ premises, thereby strengthening the requirements for supplier occupational safety. Throughout 2024, no occupational safety incidents involving suppliers or their employees were reported within the JSJ operational area.

Crafting Excellence in Quality

For more than twenty years, JSJ has adhered to the quality policy of "insisting on quality first, promoting technological innovation, implementing scientific management, and exceeding customers' expectations", earning an excellent reputation. The Company has established a robust quality management system and has obtained certifications for ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 22000:2018 Food Safety Management System, among others.

Quality Management System

JSJ strictly complies with the Product Quality Law of the People's Republic of China, the Food Safety Law of the People's Republic of China, and other relevant regulations, placing a high priority on product safety and quality, to ensure the provision of safe and healthy products to customers. To further enhance its quality management system, JSJ has developed 38 quality management procedure documents and 308 tier three operational documents, ensuring that all work processes have clearly defined standards. In 2024, the Company updated a total of 44 quality procedure and operational documents.

38 Pieces

Total quality management
procedure documents

308 Pieces

Total tier three
operational documents

44 Pieces

Total quality procedure and
operational documents

Quality Policy

JSJ adheres to the quality policy of “Quality First, Promoting Technological Innovation, Implementing Scientific Management, and Exceeding Customers’ Expectations” .

Selected Quality Systems (2024)

Quality Representative Management System: Clearly defines quality management responsibilities and establishes dedicated quality management roles across production, R&D, warehousing, and sales to ensure product safety and consistency.

Design and Development Control Procedure: Outlines the process for new product design and development, embedding quality controls throughout product planning, review, validation, confirmation, output, and conversion to mass production, thereby ensuring that new products meet customer requirements and maintain stable quality.

Hazard Control (CCP and OPRP) Plan: Develops a hazard control plan for the production of silica/food additive products, identifying and controlling potential hazards during production to ensure product safety and hygiene.

Change Control Procedure: Establishes a change control system to evaluate, review, approve, and implement changes affecting product quality, ensuring that product quality remains consistently stable post-change and facilitating traceability.

Sample Management Regulations: Standardizes procedures for handling internal samples sent to customers, samples sent to third party authorities for testing, R&D samples, and external sample inspections to ensure effective sample management.

Pilot Production to Mass Production Management System: Regulates the entire process of pilot production for new product R&D, including both the pilot and mass production stages, ensuring effective control and a smooth transition from pilot to full-scale production.



Establishment of the “Zero Complaint Team”

To achieve the “zero complaints” target, the Company established a “Zero Complaint Team” , comprising members from the Sales Center, Production Department, R&D Center, and Quality Center, dedicated to resolving customer complaints.

Once the Team was formed, designated personnel were tasked with tracing and analyzing the root causes of complaints, identifying and addressing quality risks, and eliminating potential hazards.

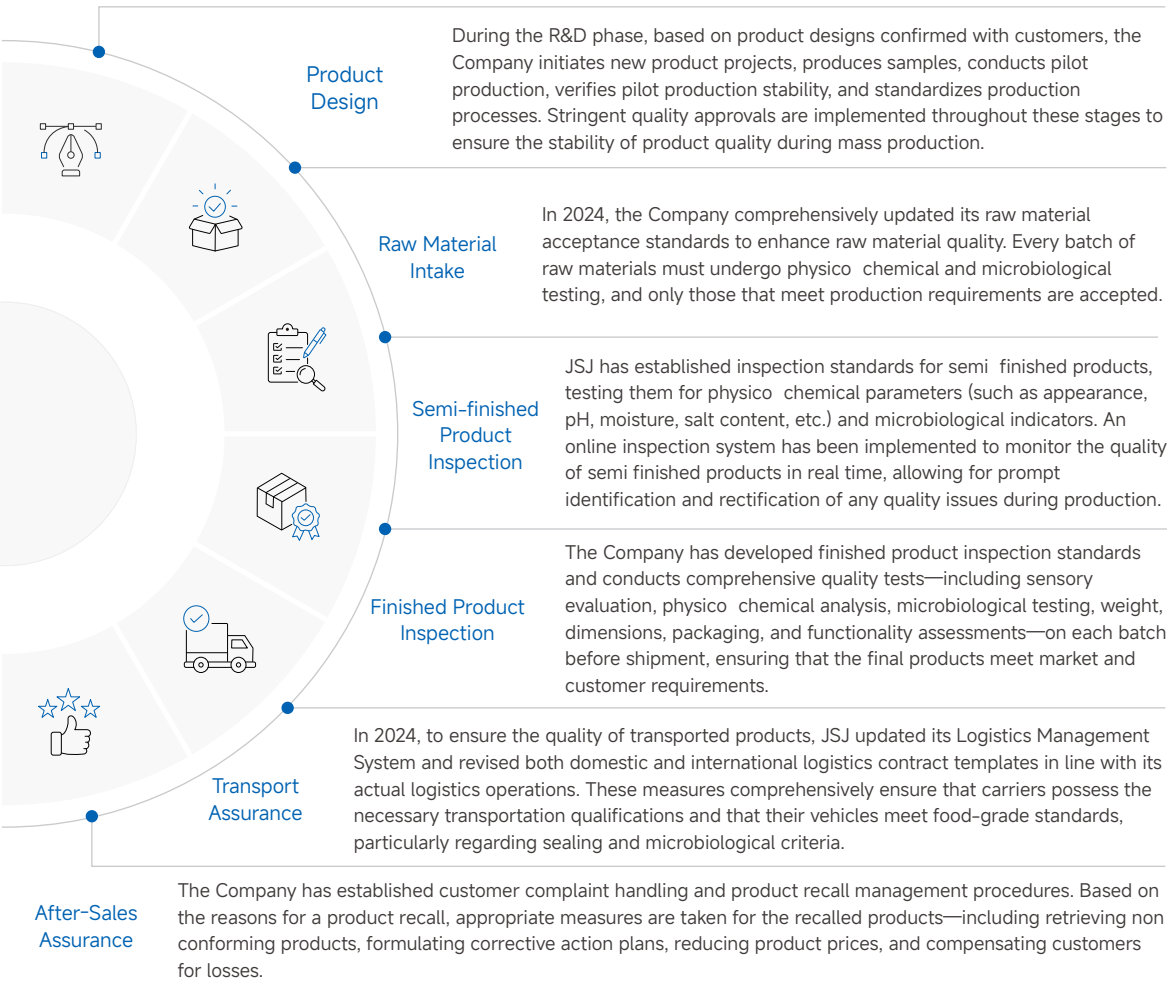


“Zero Complaint Team”

Quality Management Process

Lifecycle Management

JSJ rigorously controls product quality by implementing full lifecycle management—from raw material intake to finished product shipment—to ensure that every product meets quality standards. In 2024, the ISO 9001 Quality Management System certification of the Company covered 100% of its business scope.



Full-lifecycle Product Quality Management

Foreign Matter Control in Production

In 2024, JSJ further strengthened its controls over foreign matter during production to ensure that products remain uncontaminated throughout the manufacturing process:

- The Company introduced devices such as magnetic separators and metal detectors to monitor and eliminate foreign objects in real time;
- The use of auxiliary materials is strictly controlled to ensure compliance with quality requirements;
- Startup, shutdown, and product changeover cleaning standards have been optimized to prevent cross-contamination;
- Regular monthly inspections for foreign matter risks are conducted to refine preventative measures, thereby ensuring safe and efficient production.

Quality Management Culture

To enhance employees' awareness and capabilities in quality management, JSJ continuously reinforces its quality culture and actively organizes quality-related activities to foster a "zero tolerance" environment for quality issues. The Company has developed an annual quality training plan and regularly conducts quality control training sessions for its employees.

Production Process Training

- The Company routinely holds training sessions on production processes to ensure that employees are well-versed in the entire process—from raw material procurement and processing to finished product inspection. These sessions enable staff to gain an in-depth understanding of the critical control points at each stage, thereby ensuring stable product quality.
- In 2024, the Company optimized its production processes and organized several specialized training sessions covering topics such as new equipment operation and process improvements, which further enhanced employees' production skills and quality management capabilities.

Quality Tools Application Training

- The Company emphasizes training on the application of quality tools, including the seven QC tools, basic microbiology and control methods, GMP management, and Hazard Analysis and Critical Control Point (HACCP) principles. These training sessions effectively empower employees to analyze, diagnose, and address quality issues using scientific tools, thereby enhancing both the efficiency and precision of quality management.



Quality Training in July 2024

Quality Incentives and Recognition

- The Company has established the Special Incentive Management System for the Quality Department and conducts an annual "Quality Star" selection event to motivate all employees to actively participate in quality improvement efforts, thereby solidifying the enterprise's quality foundation.
- In 2024, the quality management exemplars selected received both honor and rewards, boosting overall employee enthusiasm for quality management.

Quality Incentives and Recognition

- JSJ places great importance on cultivating quality awareness among its employees. Initiatives such as pre-shift meetings to promote the quality policy, daily quality incident reporting, and rewards are regularly conducted. These activities ensure that employees maintain a high level of focus on quality and reinforce the "Quality First" work philosophy.
- In 2024, the Company organized a "Safety, Quality, and Continuous Improvement Knowledge Competition" that attracted widespread employee participation. This competition provided a relaxed yet engaging environment for employees to learn quality-related knowledge, thereby further strengthening their quality awareness.



"5-Minute Pre-Shift" Quality Commitment Activity



Quality Knowledge Competition

03

Green Development, Shoulder the New Mission

Our Actions

- Implementing Green Operations
- Building Green Factories
- Adherence to Green Development

Our Performance

20%

The intensity of hazardous waste
discharge has decreased compared to 2023

12%

The intensity of water resource use has decreased
compared to 2023



Implementing Green Operations

To respond to the national "dual carbon" goals, the company has taken relevant measures in clean production, energy management, and water resource management to reduce carbon emissions. In the future, we will continue to improve strategy formulation, risk management, and identification and management of indicators and targets, working with downstream partners in the value chain to address climate change and achieve green development together.

Implementing Green Operations



Environmental Management

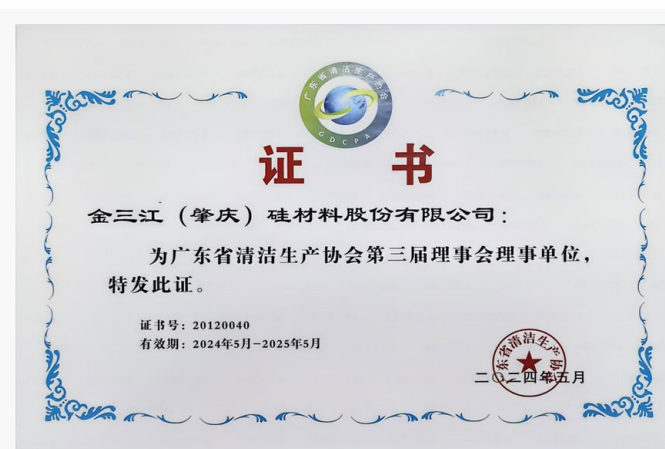
JSJ strictly complies with the Environmental Protection Law of the People's Republic of China and the Guangdong Provincial Regulations on Environmental Protection, among other laws and regulations. Internally, we have established procedures such as the Environmental Factor Identification and Control Procedure, Environmental Operation Control Procedure, and Organization's Environmental Control Procedure to standardize the compliance of our environmental management and actively fulfill our environmental responsibilities. During the reporting period, we have not experienced any environmental penalties or fines.

For environmental risk management, we have formulated Emergency Plan for Environmental Risk Events, Environmental Risk Event Assessment, and Emergency Resource Investigation for Environmental Risk Events to ensure that the company has the capability to handle sudden environmental incidents.

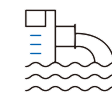
During the reporting period, the company successfully completed the annual ISO 14001 environmental management system supervision audit, passed the clean production audit in Zhaoqing City, and obtained the position of director unit of the third council of the Guangdong Province Clean Production Association in May.



ISO14001 Environmental Management System



JSJ becomes the governing unit of the third council of Guangdong Cleaner Production Association



Wastewater Management

JSJ strictly abides by the Law of the People's Republic of China on Prevention and Control of Water Pollution and has formulated and implemented Regulations on Wastewater Management. We have installed online monitoring devices for chemical oxygen demand (COD), ammonia nitrogen (NH3) and pH at the wastewater discharge outlets of our factories to realize real-time online monitoring of wastewater discharged and to strictly control the potential risks of wastewater disposal.

In accordance with the principle of "segregation of wastewater and sewage, classification and collection, and quality treatment", we have constantly upgraded our sewage treatment system, and have added turbidity meters and pH meters at the front end of the sewage discharge pipeline, so as to provide early warning management of sewage discharge in compliance with the standards.



Exhaust Gas Management

We strictly abide by the Law of the People's Republic of China on Prevention and Control of Air Pollution in our operation and production, and constantly improve our internal Exhaust Gas Management Regulations. Based on the principles of source reduction, process optimization, on-site improvement and end-of-pipe management, JSJ strives to reduce the emission of air pollution in the production process.

1

The company strictly implements national and local pollutant emission standards, establishes management norms for the emission of waste gas, dust and hazardous substances, and commissions third-party testing organizations to carry out regular monitoring to ensure compliance.

2

The company implements the whole process of dust control in the production chain, and equips the key areas with high-efficiency bag dusters; synchronously deploys online monitoring systems to collect real-time emission data to ensure dynamic compliance with the standards.

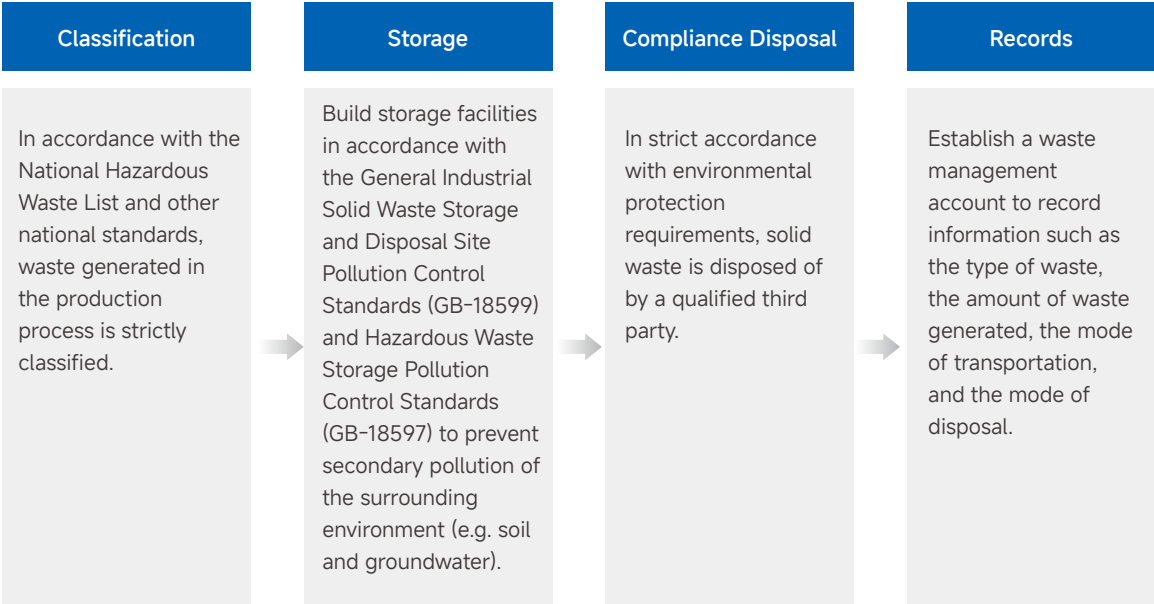
3

The company focuses on prevention and control, identifying abnormal working conditions of dust removal facilities in advance to ensure the long-term stable operation of environmental protection measures.

Measures for Treating Exhaust Gas in JSJ



In terms of waste management, JSJ always complies with the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution and the Environment and the Guidelines on Classification of Domestic Waste, and has formulated Waste Management Provisions internally to standardize the waste management work. JSJ actively carries out the work of recycling and reutilization of waste, and strives to achieve the goal of Zero Emission of Solid Wastes. We also actively carry out waste recycling and reuse work, aiming to achieve the goal of zero solid waste discharge.



Waste- Total Process Management Program

Case Waste Pallet Recycling

JSJ actively cooperates with customers and hires a third party to recycle pallets. The company can recover 36,577 pieces of plastic pallets every year and put them into recycling, slowing down the environmental pollution caused by waste pallets.

Case Waste Residue Reuse

In response to the large amount of waste residue generated in the production process, we have successfully transformed it into industrial-grade silica products through technical support. This initiative helps the company to realize the goal of zero solid waste, reduce the generation of waste, reduce its pollution to the environment, and at the same time enhance the company's economic efficiency.

Energy Management



Responding to Dual Carbon

Against the background of intensifying global climate change, China has put forward the dual-carbon target of “peak carbon by 2030 and carbon neutrality by 2060” , marking the green and low-carbon transformation as a national strategic priority. In this context, JSJ deeply recognizes the importance of low-carbon development, integrates the dual-carbon target into its corporate strategy, actively responds to the call of the policy, upgrades its production process through energy management optimization, adjusts its energy structure, and continuously promotes low-carbon production technology innovation to meet the new opportunity of green and low-carbon development of the enterprise.

JSJ's direct carbon emissions mainly come from fossil energy consumption in the production process, including natural gas, electricity, and diesel fuel. Indirect carbon emissions mainly come from purchased electricity. To reduce carbon emissions, the company is gradually increasing the proportion of renewable energy used in the form of rooftop photovoltaics. In addition, JSJ utilizes an energy management system to monitor energy consumption data in real time, optimize energy distribution and reduce waste, thereby steadily advancing the implementation of carbon emission reduction projects while safeguarding production efficiency.



Energy Management System

The company manifests its determination of low-carbon development with practical actions, and is committed to building a low-carbon, environmentally friendly and sustainable corporate image, and contributing positively to the society and the environment. The company has compiled and strictly implemented the Energy Management Manual and obtained ISO 50001 Energy Management System Certification.

The company has set up an energy management system team and built an energy management platform to help real-time monitoring of production energy consumption and timely alarms for abnormal energy consumption in the production process to avoid wastage of energy.

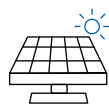


Energy Efficiency Improvement

By focusing on equipment upgrading and process optimization, JSJ has built an all-round energy-efficiency improvement system, which reduces operating costs, enhances market competitiveness, and injects green power to protect the earth's homeland.



Initiatives to Reduce Energy Consumption in JSJ



Energy Structure Transformation

Promoting energy structure transformation is a key strategy for JSJ's low-carbon transition. To reduce our reliance on traditional energy sources, we optimize our energy structure by laying out distributed photovoltaic systems. By the end of the reporting period, the installed capacity of photovoltaic power generation equipment in our plants amounted to **1,972** KW. During the reporting period, the distributed photovoltaic system generated a total of **1,607** MWh of electricity.



JSJ Rooftop PV

Water Resources Management

The Company strictly abides by the Water Law of the People's Republic of China and other laws and regulations to standardize internal water resource management. We carry out inspections and controls on productive water use to reduce water waste. In addition, the Company saves water through equipment optimization and technological transformation and promotes the recycling of water resources.



Case

Water Conservation by process improvement

In 2024, JSJ implemented a series of water-saving optimization measures in the production process, especially strengthening precise control of conductivity in the washing process, successfully improving the salt content standards of various products, and significantly reducing water resource consumption. During the reporting period, this measure saved a total of 17,166.35 tons of water in the washing process. Through this effort, the production efficiency has been improved a lot, and JSJ has taken a big step towards building a water-saving enterprise.

Building Green Factories

JSJ is fully committed to building green factories and closely integrating green concepts into daily production. In green design, we incorporate environmental considerations into the entire life cycle of our products. In green manufacturing, we utilize new environmentally friendly materials and advanced technologies, strictly control the production process, and promote the construction of green factories in all aspects. In green logistics, we adjust the mode of transportation, optimize product packaging, reduce logistics energy consumption and emissions, and continue to move towards a greener, more environmentally friendly enterprises.

Green Design

To actively respond to the call for green development, our factory has deeply integrated the green concept into the whole life cycle of products. In product design, we have innovatively introduced the concept of eco-design, considering the environmental impact and resource utilization efficiency holistically, reducing the use of hazardous substances, avoiding the leakage of hazardous substances, and striving to reduce energy consumption and environmental pollution. We have also commissioned a third-party certification company to identify and analyze carbon emission hotspots in the production process, which acts as a base for green design. Carrying out green product design not only makes the products more in line with the market demand for green environmental protection, but also strongly promotes the products to meet the evaluation requirements for eco-designed products in the "Green Factory Evaluation Requirements", so that we can practice the strategy of sustainable development with practical actions.

Product Eco-design

- In the product design stage, we strictly follow the General Principles of Product Eco-design GB/T 24256-2009 standard to carry out eco-design for the products we produce. The company actively introduces the concept of eco-design, taking into account the environmental impact of the entire process of product production, use and disposal.
- We have formulated a clear eco-design process for our products, which includes five steps: identifying design products and goals, planning and organizing, demand analysis, product design, and implementation of the design. At the same time, we promote continuous product improvement through regular evaluation and feedback to continuously improve our eco-design work.

Eco-design Evaluation

- According to the General Principles of Eco-design Product Evaluation GB/T 32161-2015 standard, we carry out life-cycle evaluation of products based on eco-design product evaluation and prepare the Eco-design Product Evaluation Report of Jinsanjiang (Zhaoqing) Silicon Materials Co.

JSJ Green Product Design

Green Manufacturing

In the wave of green development of the times, our company is fully committed to the practice of green manufacturing. On the one hand, we constantly innovate our production process, eliminating old processes with high energy consumption and pollution, and introducing advanced clean production technologies. On the other hand, we reduce resource consumption and pollutant emissions from the source, and actively optimize the layout of factories, improve energy efficiency, and carry out scientific recovery and recycling of waste. Through multi-dimensional efforts, we create a whole chain green manufacturing system and lead the industry to a new journey of green development.

JSJ has introduced the development concept of "green, low-carbon and recycling" in the process of creating green factories, mitigating the impact on the environment during the whole life cycle of products, continuously reducing energy consumption and pollutant emissions, improving resource utilization efficiency, and reducing the use of non-renewable resources.

Green Manufacturing System Guarantee	We set up a green factory management system and formulate long-term plans and annual implementation programs in accordance with the principles of plant intensification, harmless raw materials, clean production, waste resourcing and low-carbon energy.
Clean Production	We implement systematic clean production reforms such as pollution reduction and waste reduction to reduce environmental impacts through equipment maintenance and insulation pipeline maintenance.
Efficiency Enhancement	We have continuously invested in a number of energy-saving and water-saving technologies and other renovation projects. For example, waste heat recovery, steam recovery, water recycling and other projects to reduce the use of energy and water resources.
Energy Structure Optimization	We use solar photovoltaic power to optimize the energy structure and guide the factory towards low-carbon and cleaner energy.

Green Logistics

The company actively promotes the transformation of green logistics and builds a green logistics system. By strengthening quality control management, we improve the one-time arrival qualification rate, effectively reduce the repeated return and reissue of transportation due to quality problems of goods, and reduce the waste of resources and carbon emissions generated by the transportation process. At the same time, when conditions permit, we reasonably adjust the mode of transportation, adjusting the automobile transportation to sea transportation, giving full play to the advantages of large capacity and low energy consumption of sea transportation. In addition, we actively plan to build warehouses in the local areas of our customers to improve distribution efficiency and shorten the delivery cycle.

JSJ is actively exploring and innovating in the field of packaging, and fully promoting the practice of green packaging. At present, the company's product packaging mostly uses paper bags, and for special circumstances, resolutely abandoned composite bags, to reduce the impact of packaging on the environment. Not only that, the company also vigorously advocates the repeated recycling of packaging. In addition, the company in the procurement of raw materials, transportation, strictly control the use of disposable packaging materials.

1

We have de-packaged bulk waterglass to reduce packaging waste and improve convenience and efficiency in production, transportation and use.

2

We have replaced some of our products with larger bags of 475 kilograms instead of 20 kilograms to reduce the amount of packaging used.

Part of the green packaging materials initiative

Case JSJ Named "National Green Factory", Leading Sustainable Development with Green Manufacturing

The Ministry of Industry and Information Technology released the 2024 Green Manufacturing List, with JSJ awarding the "National Green Factory" title for its outstanding practices in resource efficiency and clean production. This accolade highlights its commitment to ESG principles. Moving forward, JSJ will integrate green innovation across its value chain, aligning with China's carbon goals to foster eco-friendly industrial growth.



JSJ Named "National Green Factory"

Case JSJ has been successfully included in the "2024 Green Manufacturing List"

With these excellent practices in the field of green manufacturing, JSJ has been successfully included in the "2024 Green Manufacturing List" and won the authoritative award of national green factory, which marks another solid step on the road of green manufacturing for JSJ. JSJ's inclusion in the list is a recognition and an incentive from the state for our long-term practice of ESG concepts. Being selected is not the end, but a new starting point. In the future, JSJ will, under the guidance of the national "dual-carbon" strategy, infuse the green gene into the whole business cycle, create a unique path of sustainable development, and work together with many high-quality Chinese enterprises to light up the ecological background color.



JSJ has been successfully included in the "2024 Green Manufacturing List"

Adherence to Green Development

With the growing concern over climate change, regulators have also imposed requirements on the climate issues faced by various industries. Based on the disclosure recommendations of TCFD (Task Force on Climate-related Financial Disclosures), JSJ has identified the impacts of extreme and transformational risks on the enterprise based on the industry's best practices, the climatic conditions of the places where it operates, and with reference to the national policies, and formulated a response plan.

Climate Governance

To respond to the challenges posed by global climate change, JSJ has constructed a rigorous climate governance structure. We have integrated climate change governance into our daily ESG management work and regard climate change governance as an important element of ESG governance.

In the future, the Company will set up a three-tier governance structure to address climate change: the Board of Directors will lead and oversee climate change issues and be responsible for considering climate change-related proposals; the ESG Committee will coordinate climate change-related work, convene meetings to discuss and consider climate change-related proposals submitted by the ESG Specialized Group and submit the results of the discussions to the Board of Directors; and the ESG Specialized Group will be responsible for the implementation of climate change-related management. The ESG Specialized Group is responsible for the implementation of climate change related management, etc.

Climate strategy

JSJ has adopted a scientific approach to establish a climate change management strategy. Climate change risks and opportunities are identified and assessed based on climate scenario analysis, which identifies the Company's physical and transformational risks, as well as opportunities related to energy, products, and services.

Physical risks include acute and chronic risks. For example, heavy rainfall and flooding damages operational sites, operational infrastructure, etc., and causes problems such as power outages in equipment and facilities, leading to operational disruptions and loss of assets. Transformation risks include policy and legal, technical, market and reputational risks. For example, the cost of excess carbon emissions is expected to rise as more and more industries and companies are included in the carbon trading system; the transformation of low-carbon emission technologies increases research and development investment in clean technologies; customer demand for low-carbon services and green products gradually rises, and the decline in market share for traditional energy-intensive products results in a decline in revenue; and if the Company fails to meet the expectations of other customers or the public in the area of energy conservation and consumption reduction, and other areas of sustainability, it may not be able to meet customer or public. If the Company fails to meet the expectations of other stakeholders, such as customers or the public, in areas of sustainable development such as energy saving and consumption reduction, the brand reputation of JSJ may be affected.

In addition, we have identified opportunities for the Company because of climate change. For example, increased market demand for green and low-carbon products has created new opportunities for our green and low-carbon products, and the Company is using more energy-efficient production equipment to reduce operating costs.

Based on the risks and opportunities identified, we have developed a management strategy and implementation plan to address climate change based on the identified exposures and opportunities and in line with our existing strategy.

Risks and Opportunities

JSJ has deeply integrated the management of climate change risks and opportunities into its own risk identification system. We have comprehensively sorted out potential risks such as production disruption and policy and regulation adjustments that may be triggered by climate change, and at the same time, we have captured opportunities such as green transformation and development of emerging markets to realize controllable risks and grasp opportunities and promote sustainable development of the enterprise.

In response to climate change risks, JSJ strictly abides by the Law of the People's Republic of China on Response to Emergencies and formulates and implements internal systems such as Emergency Preparedness and Response Control Procedures and the Emergency Management System for Corporate Emergencies, etc. JSJ has included natural disaster disposal methods including meteorological disasters, seismic disasters, geologic disasters, and oceanic disasters in its emergency response plan to cope with environmental emergencies.

In the face of new opportunities brought by climate change, JSJ actively seeks changes and implements precise measures. Taking green design as the foundation, the company integrates the concept of environmental protection from the initial stage of product development and makes all-round considerations on product structure and material selection to ensure that the impact on the environment can be minimized throughout the life cycle of the products. At the same time, we take green manufacturing as an important component, continuously optimize the process in the production process, upgrade the equipment, improve the energy efficiency, and take practical action towards green development, so as to realize the harmonious coexistence between the enterprise and the environment.

For our greenhouse gas emission data in 2024, please refer to Appendix 1 '2024 Key Performance Data Sheet'.



04

Care for Employees, Cohesion of New Talents

Our actions

- Protect the Rights and Interests of Employees
- Create a Growth Platform
- Enhance Humanitarian Care
- Guarding Health and Safety

Our performance

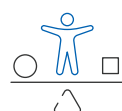
13 Times The number of safety training sessions	374 Persons Employees participating in the safety training.	100% The rate of occupational health check-ups
0 Person The number of deaths due to work-related accidents	0 Number The number of safety production accidents	100% The signing rate of labor contracts
100% The coverage rate of social insurance	100% The staff training coverage rate	
4,003 Hours The total training hours for employees	19.35% The training hours for employees have increased compared to 2023	



Protect the Rights and Interests of Employees

Jinsanjiang firmly believes that employees are the core driving force for the development of the company. The company respects the rights and interests of employees, prohibits any form of prejudice and discrimination, and fosters an equal and inclusive workplace atmosphere. In addition, the company has established a high-quality talent development system, customizing career advancement paths for employees to meet their needs for further learning and self-improvement. Moreover, the company provides a rich compensation and benefits package for employees, strengthens the protection of their occupational health and safety, enhances the sense of belonging among talents, and ultimately achieves shared growth between employees and the company.

Legal Employment



Adhere to equal employment

Adhering to regulations such as the "United Nations Convention on Human Rights", the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", and the "Prohibition on the Use of Child Labor", Jinsanjiang, in combination with standards for quality management, occupational health, and social responsibility, has established and improved the "Recruitment Management System". This system clearly defines the company's code of conduct, human resource management, recruitment management, and prohibitions against forced labor. Jinsanjiang upholds the principle of "equal opportunities and recruitment based on merit", eliminates all forms of discrimination in recruitment and employment such as nationality, race, gender, religious belief, and age, and ensures that all employees and job applicants enjoy equal employment opportunities.



Prohibition of child labor and forced labor

During the reporting period, the company formulated and improved the "Jinsanjiang Employee Handbook," clarifying the rights and obligations of employees, establishing policies against discrimination, prohibiting child labor, and mandatory labor, and conducted training and advocacy for all employees. During the reporting period, no incidents of child labor or mandatory labor were found in Jinsanjiang.



Enrich the channels for talent introduction

Jinsanjiang is committed to creating a diverse international workforce and continuously enriching the channels for talent acquisition. The company starts from three aspects: campus recruitment, social recruitment, and internal recruitment, to enrich the talent pool and continuously optimize the talent structure. In terms of campus recruitment, we maintain long-term cooperative relationships with several well-known institutions, and our 2024 campus recruitment will cover South China University of Technology, Sun Yat-sen University, Jinan University, The Hong Kong Polytechnic University, and other higher education institutions. For social recruitment, we have formulated relevant systems and widely attract talents through online platforms, headhunting, and other recruitment channels. The company has established a recommendation channel internally and set up an incentive mechanism, providing diverse ways for talent introduction, which helps talents to take their positions in a timely manner and further enhances the overall competitiveness of the enterprise.

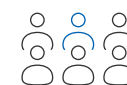


Case Factory Open Day

On April 27, 2024, Jinsanjiang successfully carried out an open day event for fresh graduates at the factory, attracting more than 30 upcoming graduates from South China University of Technology. This event aimed to showcase Jinsanjiang's corporate culture, development history, and future blueprint to the students through on-site visits, and provided a detailed introduction to the company's management trainee program, in order to attract more outstanding graduates to join the Jinsanjiang family.



Factory Open Day



Formation of a Diverse Workforce

Adhering to the principles of diversity and inclusion, we recruit talents through fair and open selection, choosing the best candidates. As of December 31, 2024, Jinsanjiang has a total of 374 employees, including 4 disabled personnel and 5 veteran employees, collectively forming a diverse and vibrant workforce in our company.



Employee Well-being



Compensation Incentives

The company adheres to the principle of combining individual and organizational goals, closely linking compensation incentives with the company's long-term development, and enhancing the enthusiasm of outstanding employees and key talents. In 2024, Jinsanjiang improved the "Compensation Management System" and the "Position System Management Regulations," categorizing employees into five major job categories: M, P, S, A, and O, and designing a broadband salary scale for each category.



Employees holding Share plan

In 2024, the company implemented an employee stock ownership plan involving 1,113,300 shares of stock with a transfer price of 8.875 RMB per share. The scope of participants in this employee stock ownership plan includes the directors, supervisors, senior management, core managers, and supervisory personnel of the company (including branches and subsidiaries), totaling 44 employees.



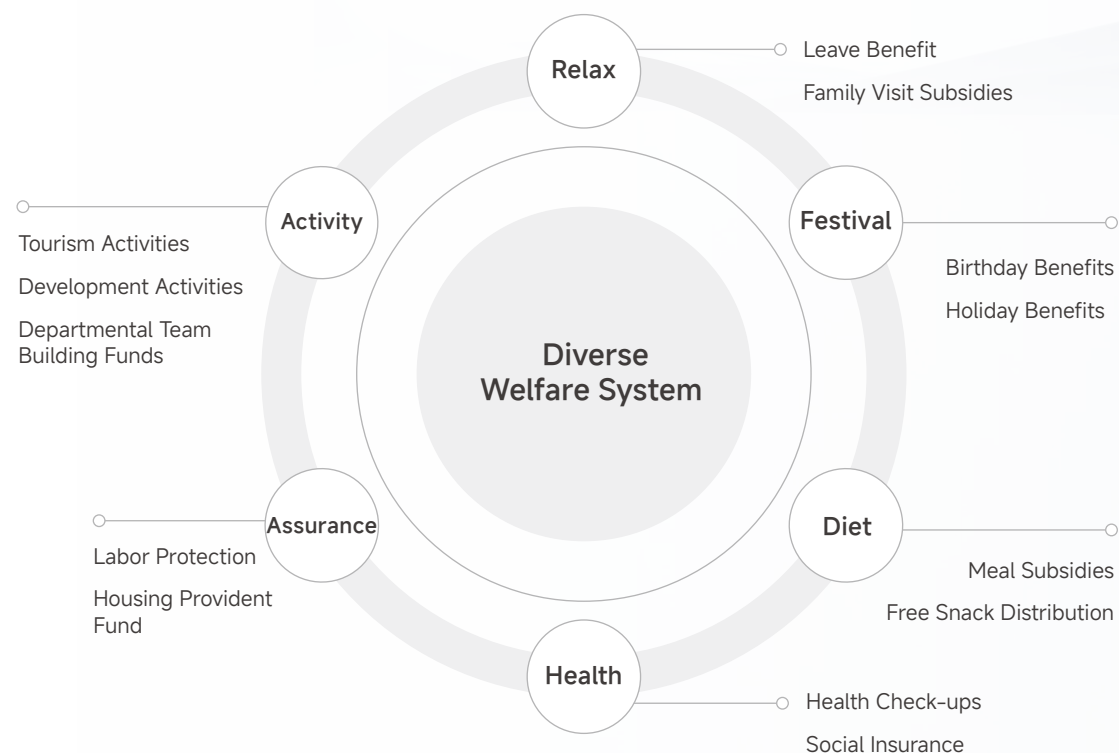
Stock Incentive Plan

In the same year, the company implemented a stock incentive plan and held a board of directors and board of supervisors meeting on May 20, 2024, where it was agreed to grant a total of 1,993,998 shares of stock to 60 eligible incentive recipients at a price of 4.34 yuan per share.



Other benefits

In addition to salary and equity incentives, Jinsanjiang offers a wide range and variety of other welfare benefits to all employees. Besides legal compliance with social insurance and housing provident fund contributions, we provide dormitory and canteen facilities for staff. The company also offers annual health check-ups, regularly organizes team-building activities, and gifts festival presents, thereby creating a humanized working environment for employees. During the reporting year, Jinsanjiang conducted a comprehensive optimization of the "Welfare Management System."



Jinsanjiang's Diverse Welfare System

Case Staff team-building activity



staff team-building activity



Case Christmas Party



Christmas Party



Create a Growth Platform

Training System

Jinsanjiang takes talent development as an important strategy, continuously improving the talent cultivation system, optimizing the staff promotion mechanism, and establishing talent development plans that meet the needs of management, marketing, operational, administrative/logistics, technical/professional and other positions. The company continues to exert effort in selecting, employing, educating, and retaining talents, encouraging employees to enhance their professional skills and cultivate their ability to identify and solve problems.

New employee mentoring	The company arranges mentorship guidance for new employees to help them adapt to the working environment. At the same time, the company provides a two-week training program for new employees, covering the company's history and current status, organizational structure and departmental responsibilities, corporate culture, rules and regulations, and job skills, etc., to assist new employees in smoothly integrating into their new roles.
Training of technical backbones	The company gradually improves the development projects for technical talents, establishes a professional learning ecosystem, and enriches the professional development paths and resources for employees.
Talent development in management	During the reporting year, the company formulated the "Successor Cultivation and Management System". This system explicitly stipulates that for employees who perform outstandingly in their positions (potential successors), the company will conduct special cadre training to enhance the capabilities of existing cadres and reserve potential leaders for the company.

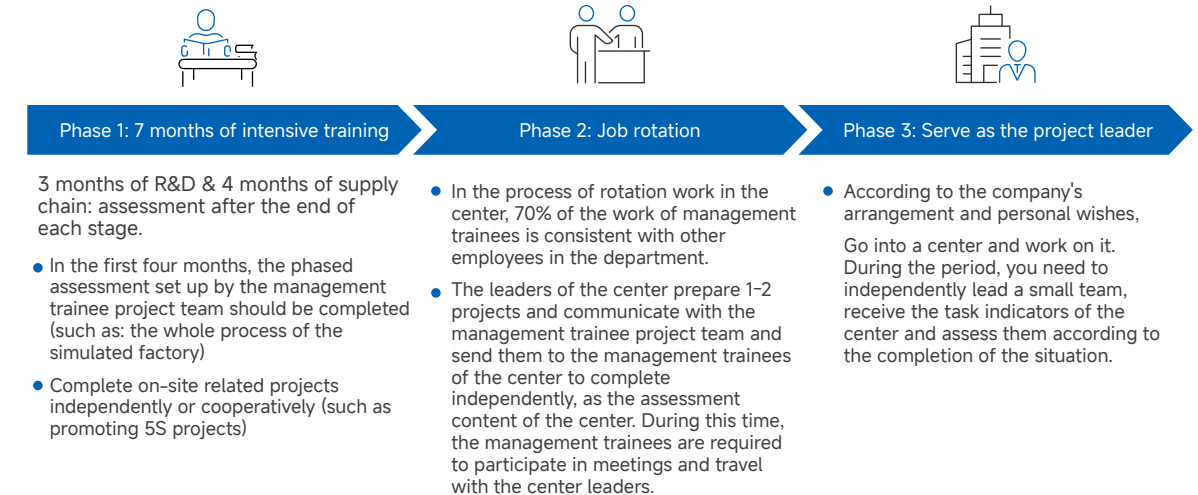
Promotion Mechanism

The company has formulated the "Position System and Post Adjustment Management System," established 5 types of career development paths, improved the company's job map, and provided an equal promotion platform for employees.

Category M (Management) Promotion Path	The company has divided the management levels into 12 ranks according to the actual situation.
Class S (MarketingCategory) Promotion pathway	The company has divided the marketing levels into 7 ranks according to the actual situation.
P Category (Technical/ Professional) Promotion Pathway	The company divides the technical/professional levels into 8 ranks based on actual conditions.
Class A (Administrative, Logistics, and Clerical) promotion pathway	The company has divided the administrative and clerical levels into 7 ranks according to the actual situation.
Type O (Operation type) Promotion pathway	According to the actual situation, the company divides the operational levels into 6 ranks.

Management Trainee Program

Jinsanjiang has established an exclusive training system for fresh graduates in R&D, sales, and supply chain positions. In the reporting year, the company formulated the "Management Trainee Training Management System," which, through progressive training objectives and programs, helps fresh graduates understand the company culture, quickly adapt to their professional roles, and become familiar with the job responsibilities of their positions.



Case The demeanor of the management trainees of the class of 2024



The demeanor of the management trainees of the class of 2024.

Employee Training

Jinsanjiang focuses on the talent development system, providing employees with a wealth of training courses and learning resources to meet their needs for career development and skill enhancement. In addition, the company arranges corresponding assessments for key training courses to test and consolidate employees' mastery of the course content. In 2024, the company's total training hours reached 4,003 hours, with a training coverage rate of 100% for employees.

Training courses	Course Introduction	Training audience	Training format
Fire safety knowledge	Fire alarm systems, fire hydrant systems, and fire extinguisher usage	All staff	Classroom lectures + hands-on practice
Major holiday safety (Spring Festival)	Safety precautions during and after the festival period	All staff	Classroom lectures
Training for safety qualifications of main responsible personnel and safety management staff	According to Article 6 of the "Provisions on Safety Training for Production and Operation Units, "the main responsible persons and safety management personnel must participate in the training organized by the government and obtain a safety qualification certificate.	Safety production management personnel	Classroom lectures
Sunstroke Prevention	Definition of Heatstroke, Preventive Measures, and First Aid Methods	All staff	Classroom lectures + hands-on practice
Emergency evacuation	Emergency evacuation routes and precautions	All staff	Classroom lectures + hands-on practice
Chemical Safety	Classification of Hazardous Chemicals, Key Management Points, and Emergency Response Measures	Contact personnel	Classroom lectures
Occupational health	Occupational hazard risks and the correct use of PPE	Personnel in contact	Classroom lectures
First aid knowledge	First aid knowledge and the use of defibrillators	Representatives of department managers and supervisors	Classroom lectures
Major holiday safety (National Day)	Safety precautions during and after the festival period	All staff	Classroom lectures
Training for the safety qualification certificates of main responsible personnel and safety management staff	According to Article 6 of the "Provisions on Safety Training for Production and Operation Units, "the main responsible persons and safety management personnel must participate in the training organized by the government and obtain a safety qualification certificate.	The main person in charge of safety and the management personnel of safety production	Classroom lectures
Treatment for burns	Definition of Burns, Preventive Measures, and First Aid Methods	All staff	Classroom lectures + hands-on practice
Safety Management System	Key Points and Update Content of the Work Safety Management System	Representatives of department managers and supervisors	Classroom lectures
Environmental protection knowledge	Waste classification and hazardous waste	All staff	Classroom lectures

Example of Offline Training Courses in 2024 (Environmental and Safety Category)



Case

Gold Medal Team Leader Training

In response to the professional growth needs of employees, the company launched the "Gold Class Supervisor Training" course, aimed at enhancing the management and leadership skills of class supervisors, enabling them to lead their teams more effectively and improve work efficiency and quality.



Gold Medal Team Leader Training



Case

Online learning platform

In 2024, Jinsanjiang launched the "Jinsanjiang Business School" online learning platform, allowing employees to learn in their fragmented time, enhancing the convenience and experience of learning. The online learning method not only increased employees' motivation to learn but also injected strong momentum into the continuous development of the enterprise.



some online training courses (in-house training)



Some online training courses (external training)

Enhance Humanitarian Care

Jinsanjiang has always attached great importance to employee welfare, considering it crucial for enhancing organizational cohesion. The company provides various communication channels for employees to address their needs and assist those in difficulty. In addition, the company organizes a variety of cultural and recreational activities to safeguard the physical and mental health of employees, and to strengthen their sense of identity and belonging to the company.

Establish Communication Channels

The company has established diverse communication channels for employees to reflect issues through various means.

Staff symposium

The company holds regular staff forums where on-the-spot responses and exchanges are made to address issues, and post-meeting discussions, analyses, and improvement measures are developed for some of the requested items.

Staff suggestion box and staff wish wall

The company has set up a suggestion box and a wish wall for employees in the cafeteria, encouraging them to speak freely. The administrative department summarizes the suggestions monthly and publicizes the responses to all employees.

Employee satisfaction survey

The company has established a survey questionnaire for employee satisfaction and conducts on-site spot checks to collect, summarize, and analyze the needs of employees in modules related to logistics support and corporate services. It actively establishes project teams for project initiation and improvement, striving to provide the best possible services and improvements for employees to the greatest extent.

Trade Union

The company has a trade union, which represents the employees in collective bargaining with the company on issues directly affecting the employees' interests, such as labor remuneration, working hours, rest and vacation, insurance benefits, labor safety and health, vocational training, and so on.



Case

Staff Seminar



Staff Seminar

Assisting Employees in Difficulty

In 2024, a family member of a Jinsanjiang employee fell critically ill. The trade union immediately went to the hospital to accompany and support the treatment, expressing deep condolences to the employee and their family. Upon learning that the employee's family was facing financial pressure due to the education of two children, the trade union quickly allocated 40,000 yuan to alleviate the employee's economic hardship and help the family through the difficult time. The company not only generously provided financial assistance to the employee but also offered emotional support, demonstrating our firm commitment to the well-being of our employees, always standing as their strongest support.

Enriching Cultural and Recreational Activities

In 2024, Jinsanjiang organized a variety of cultural and entertainment activities, holding celebration events during the Chinese Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, organizing employees to participate in sports meetings. These activities helped employees to relieve work stress and enhanced the team's cohesion.



Case

The First Staff Sports Games of Zhaoqing High-tech Industrial Development Zone

In November 2024, the first staff sports event of the High-Tech Zone was officially launched, with Jinsanjiang taking an active role in organizing staff participation. The sports event not only provided a platform for competitive exchange among employees but also injected vitality into Jinsanjiang's team building, becoming a vivid footnote to the construction of corporate culture.



Snapshot of the sports event



Case

"The Secret to the Healthy Growth of Crisp Youth" Themed Sharing Session

In 2024, the Jinsanjiang Guangzhou office hosted a themed sharing event entitled "The Secret to the Healthy Growth of Crisp Youth," featuring experts who explained psychological quality, emotional management, time planning, interpersonal communication, and more. Through case analyses and interactive Q&A sessions, employees were guided to discuss workplace adaptation and the realization of self-worth.

Guarding Health and Safety

Jinsanjiang provides all employees with strong occupational health and safety protection. In the reporting year, the company comprehensively revised the "Industrial Injury Management System" and renamed it the "Safety Incident Management System," which clarifies various types of industrial injuries and corresponding measures. This is to further implement the company's safety policy of "Safety First, Prevention Oriented, Safe Development, People-Centered."

The company has set a goal of "zero occupational diseases" for occupational health management, regularly tests for occupational hazards in the workplace, and provides occupational health check-ups for employees. It organizes safety and environmental training throughout the company to enhance employees' ability to protect their own health. During the reporting period, the company, in conjunction with the property management company, carried out emergency first aid publicity and training, with many employees participating in the first aid volunteer training.

At the same time, the company addresses pain points and difficulties in daily management by regularly holding occupational health communication meetings and comprehensively collecting employee demands.

In addition, indicators related to employee occupational health have been incorporated into the performance appraisal of senior executives, achieving a link between compensation and performance, and stimulating management initiative.

05

Reciprocal Benefit and Ahared Prosperity, Creating a Better New Life Together

Our actions

- Responsible Supply Chain
- Achieve Common Development

Our performance

46,200 Yuan

The cumulative amount of donations
over the past three years

2 Items

Industry-academia-research
cooperation patents

1 Item

Publish paper through industry-
university-research cooperation

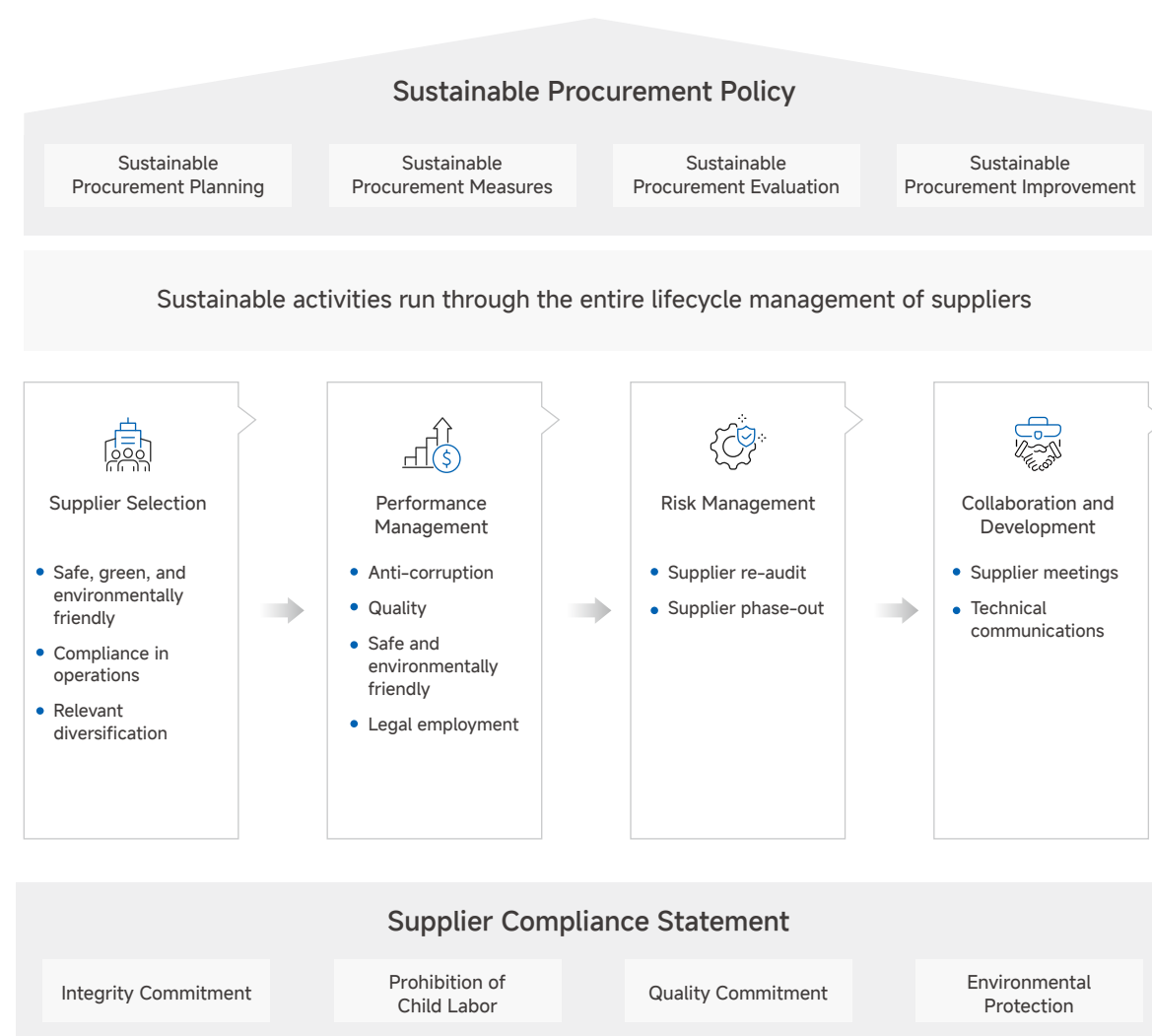
2 Items

Take the lead in drafting the formulation
of silica-related standards



Responsible Supply Chain

Under the concept of sustainable development, Jinsanjiang has formulated the "Procurement Management System" and the "Supplier Selection and Evaluation Control Procedures". To enhance the effectiveness of the systems, we further improved the comprehensive management framework for sustainable procurement, combining the suppliers' compliance statements and codes of conduct, to form a comprehensive management system. This system covers the entire process from supplier access to continuous cooperation, ensuring that every link meets high standards of sustainability, and each component is tasked with the responsibility of moving towards sustainable development goals.

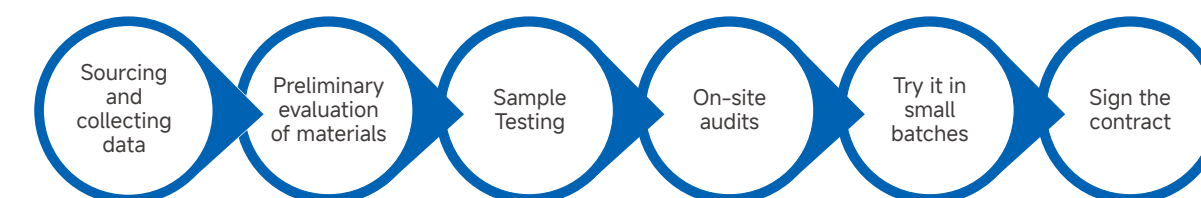


Sustainable Procurement System

Supplier Selection

To implement the "Procurement Management System" and the "Supplier Selection and Evaluation Control Procedure," and to strengthen the enrollment of suppliers, the company comprehensively assesses key factors such as supplier product quality, compliance, delivery capability, environmental and safety performance, and price, and implements a monthly review and scoring system. Suppliers who score below 90 points are required to take corrective measures.

At the same time, we require suppliers to sign documents such as the "Procurement Framework Agreement" (including the Supplier Code of Conduct), "Supplier Quality Assurance Agreement", "Supplier Environmental Agreement", "Anti-bribery Pledge", and "Confidentiality Agreement" to ensure that suppliers adhere to ESG standards.



The diagram shows the access process for Jinsanjiang suppliers

ESG Performance Management



Anti-corruption

Jinsanjiang adheres to the principles of integrity and self-discipline, committed to creating a fair, open, and efficient business cooperation environment. Jinsanjiang has signed an "Anti-Bribery Pledge" with its core suppliers, explicitly requiring them to establish an anti-corruption management system to eliminate any form of corruption, unfair competition, fraud, and bribery.

In addition, Jinsanjiang encourages suppliers to report any violations of the commitment letter. To facilitate reporting, the company has specifically provided a reporting email in the "Anti-Bribery Commitment Letter", where suppliers can directly send emails to report any violations. Jinsanjiang promises that all reports will be taken seriously and investigated fairly, and corrective measures will be taken to maintain a clean and honest cooperative relationship.



Quality Pass

The company requires its core suppliers to establish an ISO 9001 quality management system and to sign a "Product Quality Assurance Agreement" with the suppliers of raw and auxiliary materials. The agreement mandates that suppliers commit to ensuring that the content of harmful substances in the products they provide meets the requirements of the EU ROHS directive. It also requires that product quality is maintained during transportation to avoid physical, chemical, and biological contamination; that products are strictly controlled during production, processing, and transportation to prevent intentional damage and contamination; and that packaging materials must be non-toxic, harmless, and free of pungent odors. In addition, the company will conduct regular and irregular audits of the suppliers' quality management systems.



Safety and Environmental Protection

The company requires core suppliers to provide system certificates such as ISO 45001 for occupational health and safety management systems and ISO 22000 for food safety management systems. A "Supplier Environmental Agreement" is signed with core suppliers, mandating them to strengthen environmental protection.



Raw Materials

The raw materials used in producing products must meet the national, local, and industrial legal and regulatory requirements for environmental protection.



Production Equipment

Priority is given to using production processes and equipment that are pollution-free or have minimal pollution, and production processes or equipment that have been prohibited by national or local regulations must not be used.



Pollutants

Measures must be actively taken to control excessive pollutants (waste water, waste gas, solid waste, noise, etc.) emitted during the production process, and practical plans must be formulated to meet national or local emission standards within the specified time frame.



Packaging Materials

priority is given to using recyclable packaging materials to avoid waste of resources.



Transportation Vehicles

The emissions of waste gas, noise, and washing waste water from the transportation vehicles used must comply with relevant laws and regulations.



Employment in accordance with the law

In the "Procurement Framework Agreement", it is clearly stated that suppliers must fulfill the following social responsibilities: prohibit the use of child labor, forced labor, and human trafficking, comply with regulations on working hours, compensation, and other working conditions, and purchase social insurance for each employee; the products provided must be manufactured under conditions that adhere to environmental protection and occupational health and safety principles; and it should be ensured that employees are not threatened by health and safety issues.

Risk Management



Supplier Review

The company continuously evaluates the ESG performance of key suppliers through various means such as on-site audits, survey questionnaires, and communication meetings, and provides support for the construction of suppliers' sustainable capabilities based on the evaluation results. In accordance with the requirements of supplier performance management, we regularly assess the performance of suppliers from dimensions such as quality, compliance, delivery, cost, and ESG performance, and require suppliers with scores below 90 points to make improvements.



Supplier Phase-out

Jinsanjiang has established a strict supplier phase-out mechanism, implementing a grading management system ranging from A to D. The company regularly conducts on-site audits of supplier factories and take actions based on the assessment results: suppliers who score below 65 points for three consecutive months, those rated as D-level suppliers annually, and those who have failed the audit three times or more within the past year will have their qualified supplier status revoked. In 2024, Jinsanjiang conducted annual on-site audits of the two major raw material suppliers to ensure that all the suppliers' indicators meet Jinsanjiang's high standard requirements.

A Grade	score between 90-100
B Grade	score between 80-89
C Grade	score between 65-80
D Grade	score below 65 Disqualify the supplier depending on the circumstances

Collaboration and Development

Jinsanjiang communicates the concept of sustainable development to suppliers through procurement contracts and supplier meetings, sharing experiences and methods related to ESG management,

Empower suppliers in building their capabilities in compliance adherence and sustainable development, assist suppliers in improving their ESG performance, and jointly create a green supply chain. To this end, we conduct ESG professional training for our internal teams to ensure a deep understanding and application of sustainable management methods within the company. Externally, we hold regular meetings with suppliers to exchange ideas, establish a closer partnership with them, and jointly promote sustainable development.

Achieve Common Development

Facilitating Industry Co-prosperity

Jinsanjiang actively carries out technical cooperation with research institutions, industry associations, universities, etc., participating in the formulation of industry standards, industry-academia-research cooperation, and industry exchange activities, promoting shared prosperity within the industry.



Industry Standard Development

In 2024, the company took the lead in drafting two standards related to silicon dioxide

- Take the lead in drafting the "Evaluation Requirements for Green Factories of Precipitated Silica (T/COCIA 34—2024)", which was released on July 15, 2024;
- Take the lead in drafting the "Technical Specification for Evaluation of Green Design Products - Precipitated Silica (T/COCIA 33—2024)", which was released on July 15, 2024

Jinsanjiang has established in-depth cooperative relationships with institutions such as South China University of Technology and Guangzhou Institute of Quality Supervision and Inspection. In 2024, the company published papers and applied for multiple patents through industry-academia-research cooperation.

Co-published papers

- Jinsanjiang and its partners jointly published a research paper in the European Polymer Journal: "Bis-acrylate functionalized enone as photoinitiators for UV-LED photopolymerization"

Joint patent application

- A method for preparing directionally grown silica nanowires and its application 2024108765946
- An ultra-high concentration mesoporous silica hollow sphere and its preparation method 2024104778735



Industry Exchange Activities

The company actively participates in industry exchange activities, discussing cutting-edge silica technology with industry experts, and working together to enhance the overall competitiveness of the industry.



The 25th Organic Silicone Fine Chemicals Technology Exchange Conference

From November 6th to 8th, the "25th Organic Silicon Fine Chemicals Technology Exchange Conference", hosted by Beijing Guohua New Material Technology Research Institute and co-organized by the ACMI Silicon Material Development Center and Beijing Fluorosilicone Technology Development Co., Ltd., was grandly held. Jinsanjiang, as a sponsor of this industry event, showcased its BACOSIL series of precipitated silica for silicone rubber and diverse solutions, demonstrating its innovative achievements and strength in the field of silicon materials, and deepening the communication and cooperation with industry peers.



Jinsanjiang participating in the 25th Organic Silicon Fine Chemicals Technology Exchange Conference



Jinsanjiang wins the "Industry Innovation Leadership Award"

On November 29, 2024, Jinsanjiang was honored to be invited to participate in the "High-End Service and Cross-Border Export Forum" hosted by the Guangzhou High-End Service Industry Development Promotion Association, and was awarded the "Industry Innovation Leadership Award". The person in charge of Jinsanjiang attended the event, listened carefully to the experts' opinions and participated in the discussion, further broadening the international perspective and laying a more solid foundation for Jinsanjiang's brand export strategy.



Jinsanjiang attending the Guangzhou High-End Service and Cross-Border Export Forum and Certification Ceremony.

Case

The 10th Member Congress of the China Oral Cleaning and Care Products Association in 2024 and the 5th International Oral Care Academic Seminar

From November 3rd to 6th, 2024, the Tenth Member Congress and the Fifth International Oral Care Academic Seminar were grandly held in Shenzhen, Guangdong. As the vice-president unit of the association, Jinsanjiang discussed in-depth the new trends, new applications, and new challenges in the oral care industry during the meeting. At this seminar, the paper "Research on Silicon Dioxide with the Function of Blocking Dentin Tubules" submitted by Jinsanjiang won the Second Prize for Excellent Papers at the "Fifth International Oral Care Academic Seminar."



Jinsanjiang participating in the 5th International Oral Care Academic Seminar and award ceremony.

Case

2024 White Carbon Black Nanosilica Material Technology Exchange Seminar

At the "Precipitated Silica" forum on November 8, 2024, the Vice President of Research and Development at Jinsanjiang was invited as a guest expert and delivered a report speech on the topic of "A Method for Preparing and Characterizing High Dispersion Precipitated Silica". He shared Jinsanjiang's experience and insights in the research and development and manufacturing of high dispersion precipitated silica, and engaged in discussions and interactions with university professors and industry experts present at the event, jointly exploring the future development direction of the precipitated silica industry.



Jinsanjiang participating in the "2024 White Carbon Black Nano Silicon Material Technology Exchange Conference."

Focusing on Public Welfare

In the process of globalization, Jinsanjiang has always attached importance to social welfare. Through business innovation, charitable donations, and employee volunteer activities, it has improved community infrastructure, supported the development of rural communities, and fulfilled its corporate social responsibilities in a practical manner.

Case

2024 Public Welfare Donation

In 2024, Jin Sanjiang continued to participate in the donation activity "I Plant a Tree for My Hometown, Jointly Building the Zhaoqing Concentric Forest". In the activity, Jinsanjiang donated 6,000 yuan to adopt seedlings, contributing to the green development of Zhaoqing. In the future, Jinsanjiang will consistently implement President Xi Jinping's thought on ecological civilization, persistently engage in tree planting and forestation activities, and promote the construction of a beautiful China.



Appendix

Appendix I 2024 Key Performance Data Sheet

Environmental Performance	Unit	2024
Energy Consumption		
Total Energy Consumption	Tonnes of standard coal	16,695.00
Direct Energy Consumption	Tonnes of standard coal	11,194.35
Indirect Energy Consumption	Tonnes of standard coal	5,500.65
Total Energy Consumption Intensity	Tonnes of standard coal / 10,000 yuan revenue	0.43
Greenhouse Gas Emissions		
Greenhouse Gas Emissions (Scope 1+Scope 2)	Tonnes of carbon dioxide equivalent	38,353.88
GHG Emissions (Scope 1)	Tonnes of carbon dioxide equivalent	18,221.74
GHG Emissions (Scope 2)	Tonnes of carbon dioxide equivalent	20,132.15
Greenhouse Gas Emissions Intensity (Scope 1+Scope 2)	Tonnes CO2e/ 10,000 yuan revenue	0.99
Water Resource Use		
Total Water Consumption	10,000 tonnes	95.36
Water Consumption Intensity	Tonnes/10,000 yuan revenue	24.73
Recycled Water Utilization Rate	%	7.76
Wastewater Discharge		
Wastewater Discharge Quantity	10,000 tonnes	77.15
Wastewater Discharge Intensity	Tonnes/ 10,000 yuan	20.01
Atmospheric Pollutants		
Particulate Emissions	Tonnes	7.95
VOCs	Tonnes	1,412.65
Nitrogen Oxides Emissions	Tonnes	3.14

Environmental Performance	Unit	2024
Waste Management		
Hazardous Waste Emissions	Tonnes	1.76
Hazardous Waste Emissions Intensity	Kg/10,000 yuan	0.046
Hazardous Waste Emissions Intensity	Tonnes	659.56
Non-hazardous Waste Recycling Quantity	Tonnes	659.56
Non-hazardous Waste Emissions Intensity	Kg/ 10,000 yuan	17.11
Non-hazardous Treatment Ratio of Industrial Solid Waste	%	99.73
Environmental Performance		
Number of Environmental Violation Penalties	Cases	0

Governance Indicators	Unit	2024
Number of Directors	People	6
Number of Non-Independent Directors	People	4
Number of Female Directors	People	1
Percentage of female directors	%	16.7
Number of shareholders' meetings held in FY2024	Times	1
Number of board meetings held in FY2024	Times	5
Number of supervisory board meetings held in FY2024	Times	6

R&D Innovation	Unit	2024
R&D investment	10,000 yuan	1,781.69
R&d investment as a percentage of company's revenue	%	4.62
R&D workforce	People	50
Number of new patents granted during 2024	/	7

R&D Innovation	Unit	2024
Total patent authorizations	/	134
Total patents granted	/	105
Total intellectual property rights	/	150

Responsible Marketing	Unit	2024
Lawsuits Related to False Marketing Claims	/	0

Employee Recruitment	Unit	2024
Total number of employees	People	374
Divided by gender		
Total number of male employees	People	266
Total number of female employees	People	108
Divided by age		
The total number of employees aged 30 and below	People	126
The total number of employees aged between 31-50	People	203
The total number of employees over 50 years old	People	45
Divided by region		
Employees in Mainland China	People	370
Employees in Hong Kong, Macau, Taiwan and overseas	People	4
Divided by level		
Senior management	People	21
Middle-level	People	28
Grassroots	People	325
Number of disabled employees hired	People	4

Employee Recruitment	Unit	2024
Proportion of disabled employees	%	1.06%
Number of veteran employees	People	5
Proportion of veterans	%	1.34%
Proportion of female executives	%	30%
Rate of labor contract signing	%	100.00%
Social insurance coverage rate	%	100.00%

Training Hours Received	Unit	2024
Number of participants in employee training	People	374
Total duration of employee training	Hours	4,003
Average training duration per employee	Hours	10.17
Number of trained individuals by gender		
Number of male employees trained	People	266
Number of female employees trained	People	108
Total trained hours divided by gender		
Total training hours for male employees	Hours	2,847.05
Total training hours for female employees	Hours	1,155.95

Health and Safety	Unit	2024
Amount of investment in safety production	Yuan	353,181
Number of people suffering from occupational diseases	People	0
Number of safety training sessions	/	13
Number of employees participating in safety training	People	374
Average duration of safety training per person	Hours	81
Occupational health examination rate	%	100

Health and Safety	Unit	2024
Number of deaths due to work-related incidents	People	0
Number of safety production accidents	Items	0

Number of Suppliers	Unit	2024
Total number of suppliers	/	269
Divided by region		
East region	/	210
Central region	/	9
Northeast region	/	3
West region	/	8
South region	/	39
Supplier localization ratio (local procurement ratio)	%	13%

Community Investment	Unit	2024
Total accumulated donation amount over the past three years	Yuan	46,200

Economic Performance	Unit	2024
Total assets	10,000 yuan	73,085.00
Revenue	10,000 yuan	38,554.95
Total profit	10,000 yuan	6,058.93
Net rate of return to parent	%	13.84
Tax payment	10,000 yuan	2,968.68
Gearing ratio	%	19.31
Basic EPS	yuan/share	0.23

Appendix

Appendix II GRI Standard

GRI	Description	Corresponding Chapter
GRI 2 General disclosure 2021		
The organization and its reporting practices		
2-1	Organizational details	About the Report
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency, and contact point	About the Report
2-4	Restatements of information	About the Report
2-6	Activities, value chain and other business relationships	Company Profile
Activities and worker		
2-7	Employees	Care for Employees, Cohesion of New Talents
Governance		
2-9	Governance structure and composition	Refining Governance, Crafting a New Vision of Growth
2-12	Role of the highest governance body in overseeing the management of impacts	Refining Governance, Crafting a New Vision of Growth
2-13	Delegation of responsibility for managing impacts	Refining Governance, Crafting a New Vision of Growth
2-14	Role of the highest governance body	Refining Governance, Crafting a New Vision of Growth
2-16	Communication of critical concerns	Refining Governance, Crafting a New Vision of Growth
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Refining Governance, Crafting a New Vision of Growth
2-27	Compliance with laws and regulations	Refining Governance, Crafting a New Vision of Growth
2-28	Membership associations	ESG Performance and Honors
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Refining Governance, Crafting a New Vision of Growth
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	Refining Governance, Crafting a New Vision of Growth
3-2	List of material topics	Refining Governance, Crafting a New Vision of Growth

GRI	Description	Corresponding Chapter
3-3	Management of material topics	Refining Governance, Crafting a New Vision of Growth
GRI 204 Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Appendix I 2024 Key Performance Data Sheet
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Refining Governance, Crafting a New Vision of Growth
205-2	Communication and training about anti-corruption policies and procedures	Refining Governance, Crafting a New Vision of Growth
205-3	Confirmed incidents of corruption and actions taken	Refining Governance, Crafting a New Vision of Growth
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Refining Governance, Crafting a New Vision of Growth
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Green development, Shoulder the New Mission Appendix I 2024 Key Performance Data Sheet
302-3	Energy intensity	Green development, Shoulder the New Mission Appendix I 2024 Key Performance Data Sheet
302-4	Reduction of energy consumption	Green development, Shoulder the New Mission
302-5	Reductions in energy requirements of products and services	Green development, Shoulder the New Mission
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Green development, Shoulder the New Mission
303-2	Management of water discharge-related impacts	Green development, Shoulder the New Mission
303-4	Water discharge	Appendix I 2024 Key Performance Data Sheet
303-5	Water consumption	Appendix I 2024 Key Performance Data Sheet
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Appendix I 2024 Key Performance Data Sheet
305-2	Energy indirect (Scope 2) GHG emissions	Appendix I 2024 Key Performance Data Sheet
305-3	Other indirect (Scope 3) GHG emissions	Appendix I 2024 Key Performance Data Sheet
305-4	GHG emissions intensity	Appendix I 2024 Key Performance Data Sheet
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix I 2024 Key Performance Data Sheet

GRI	Description	Corresponding Chapter
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	Green development, Shoulder the New Mission
306-2	Management of significant waste-related impacts	Green development, Shoulder the New Mission
306-3	Waste generated	Appendix I 2024 Key Performance Data Sheet
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Reciprocal Benefit and Shared Prosperity, Creating a Better New Life Together
308-2	Negative environmental impacts in the supply chain and actions taken	Reciprocal Benefit and Shared Prosperity, Creating a Better New Life Together
GRI 401 Employment 2016		
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Care for Employees, Cohesion of New Talents
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-2	Hazard identification, risk assessment, and incident investigation	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-3	Occupational Health Services	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-4	Worker participation, consultation, and communication on occupational health and safety	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-5	Worker training on occupational health and safety	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-6	Promotion of worker health	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-8	Workers covered by an occupational health and safety management system	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
403-9	Work-related injuries	Appendix I 2024 Key Performance Data Sheet
403-10	Work-related ill health	Empowerment through Digital Intelligence, Innovation Leading a New Future Care for Employees, Cohesion of New Talents
Training and Education 2016		
404-1	Average hours of training per year per employee	Appendix I 2024 Key Performance Data Sheet

GRI	Description	Corresponding Chapter
404-2	Programs for upgrading employee skills and transition assistance programs	Care for Employees, Cohesion of New Talents
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Care for Employees, Cohesion of New Talents
GRI 406 Anti-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Care for Employees, Cohesion of New Talents
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Care for Employees, Cohesion of New Talents
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Reciprocal Benefit and Shared Prosperity, Creating a Better New Life Together
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Reciprocal Benefit and Shared Prosperity, Creating a Better New Life Together
414-2	Negative social impacts in the supply chain and actions taken	Reciprocal Benefit and Shared Prosperity, Creating a Better New Life Together
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Empowerment through Digital Intelligence, Innovation Leading a New Future
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Empowerment through Digital Intelligence, Innovation Leading a New Future
417-3	Incidents of non-compliance concerning marketing communications	Appendix I 2024 Key Performance Data Sheet

Appendix

Appendix III Abbreviation

简称	全称
SDGs	Sustainable Development Goals
GRI	The Global Reporting Initiative
CNAS	China National Accreditation Service for Conformity Assessment
CRM	Customer Relationship Management
DCS	Distributed Control System
MES	Manufacturing Execution System
SAP	Systems, Applications, and Products in Data Processing
EMS	Energy Management System
PLM	Product Lifecycle Management
CCP	Critical Control Point
GMP	Good Manufacturing Practice
PPE	Personal Protective Equipment
COD	Chemical Oxygen Demand
VOC	Volatile Organic Compounds
TCFD	Task Force on Climate-related Financial Disclosures
ROHS	Restriction of Hazardous Substances



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