



JIANGXI YUEAN  
ADVANCED MATERIALS CO., LTD.

2024 | YEAR

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

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# About This Report

This is the second environmental, social, and governance (esg) report released by JIANGXI YUEAN ADVANCED MATERIALS CO., LTD. Which provides a detailed disclosure of the company's concepts and outstanding performance in the field of esg, based on the principles of objectivity, standardization, transparency, and comprehensiveness.

## Reporting Scope

This report is based on JIANGXI YUEAN ADVANCED MATERIALS CO., Ltd. As the main entity, including its subsidiaries, branches, and directly affiliated institutions. Unless otherwise indicated, the scope of this report is consistent with that of the company's annual report.

## Reporting Period

The reporting period is from January 1st, 2024, to December 31st, 2024 (hereinafter referred to as the "reporting period"). To enhance the comparability and forward-looking nature of this report, some content appropriately references previous years or includes forward-looking statements. This report is published annually, in alignment with the financial year.

## Timeframe Of Report Impact

The impact timeframe in this report is defined as short-term (within 1 year), medium-term (1-5 years), and long-term (more than 5 years).

## Preparation Reference

- Shanghai stock exchange. Guidelines no. 14 of Shanghai stock exchange for self-regulation of listed companies - sustainability report (trial).
- China enterprise reform and development society. Chinese corporate sustainable development report guide (CASS-ESG 6.0).
- United Nations. Sustainable development goals (SDGs): a corporate action guide.
- Global reporting initiative. Sustainability reporting standards (GRI standards).
- Sustainability accounting standards board (SASB) standards.

## Data Sources And Reliability Assurance

The data sources used in this report include the company's actual operational data, publicly available data from government departments, annual financial data, internal relevant statistical reports, third-party surveys, and third-party evaluation interviews. The financial data in this report is presented in RMB; in case of any discrepancies with the financial report, the financial report shall prevail.

## Names And Abbreviations

For ease of expression and readability, "JIANGXI YUEAN ADVANCED MATERIALS CO., LTD." is also referred to as "yuean," "the company," or "we" in this report. In addition, the terms "country" and "government" in this report refer to the People's Republic of China and its administrative agencies.

Company Abbreviation	Company Full Name
YueAn, The Company, The Headquarter, We	JIANGXI YUEAN ADVANCED MATERIALS CO., LTD.
Ningxia YueAn	Ningxia YueAn Advanced Materials Technology Co., Ltd.
Ganzhou Yuelong	Ganzhou Yuelong Advanced Materials Co., Ltd.

## Access To The Report

You can view or download this report from the Shanghai Stock Exchange (<https://www.Sse.Com.Cn>), CNINFO (<http://www.Cninfo.Com.Cn>), or the official website of JIANGXI YUEAN ADVANCED MATERIALS CO., LTD. (<http://www.Yueanmetal.Com>).

## Feedback

If you have any comments or suggestions regarding this report, please feel free to contact us through the following channels.

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## Message From The Chairman



2024 marked a pivotal year for YueAn in deepening its sustainable development strategy and fully advancing ESG management. Amid profound shifts in the global economic landscape and the prevailing trend of green and low-carbon transition, we consistently integrated ESG principles as a core component of corporate strategy, embedding them throughout the entire process from top-level planning to grassroots operations.

**This year, we refined our governance system and enhanced decision-making efficiency.** In 2024, we further improved our ESG management architecture to ensure the deep integration of ESG strategies with corporate operations. We optimized the risk management system and strengthened compliant operations, guaranteeing that the company adheres to legal regulations and business ethics while pursuing rapid growth. Additionally, we continued to enhance information disclosure, increased corporate transparency, and actively engaged with stakeholders such as investors and clients to address their concerns, striving to achieve mutual benefits for all parties.

**In the past year, we have led the way in green and low-carbon development, co-creating a sustainable future.** Against the backdrop of intensifying global climate challenges, we have consistently adhered to green and low-carbon principles, actively engaged in climate action, and driven the industry toward a sustainable future. In environmental compliance management, we have established a systematic and refined environmental management system to

implement full lifecycle control of pollutants and waste in production processes, achieving green and compliant operations. Furthermore, in response to national circular economy initiatives, we have advanced scrap steel recycling and reuse, with multiple products containing over 80% recycled materials certified by international authorities, thereby reducing the environmental footprint of production operations.

**This year, we consolidated our foundation in quality and pioneered new paths through R&D.** In 2024, we deepened our independent innovation mechanisms, leveraging professional R&D teams and cutting-edge technological platforms to drive iterative upgrades in products and technologies, thereby strengthening core competitiveness. In quality control, we comprehensively optimized the quality management system, enhanced management efficiency through digital tools, and established a transparent, fair, and equitable procurement environment to ensure product quality. Additionally, with the rapid development of industries such as 5G communications, computing power, and new energy vehicles, the demand for carbonyl iron powder in electronic components and precision parts has shown an upward trend. Capitalizing on our technological and market leadership in carbonyl iron powder, we continuously improved product performance to meet client needs and contributed to the advancement of the industry.

**This year, we empowered employee growth and co-created social value.** In 2024, we continued to prioritize employee well-being by optimizing the compensation and incentive system, enhancing training programs and career development planning, and improving professional competencies and comprehensive capabilities. These efforts fostered a healthier, safer, and more cohesive team culture. Additionally, the company actively engaged in public welfare initiatives, supported rural revitalization, and fulfilled corporate social responsibility to contribute to societal harmony and sustainable development.





Moving forward, we will steadfastly uphold ESG principles, collaborate with stakeholders, and dedicate Yuean's strength to advancing sustainable development in the industry and co-creating a brighter future for society.

Li Shangkui, Chairman of JIANGXI YUEAN ADVANCED MATERIALS CO., LTD.







## Highlights Of Sustainability 2024





### ◎ Economic Performance

<p>Total Assets</p> <p> <b>90,771.41</b> (In Rmb 10k)</p>	<p>Revenue</p> <p> <b>41,777.73</b> (In Rmb 10k)</p>
<p>Net Profit</p> <p> <b>6,781.90</b> (In Rmb 10k)</p>	<p>Net Profit Attribute To The Parent</p> <p> <b>7,029.37</b> (In Rmb 10k)</p>





### ◎ Environmental Performance

<p>Total Environmental Investment</p> <p> <b>759.23</b> (In Rmb 10k)</p>	<p>Total Energy Consumption</p> <p> <b>6,405.19</b> (Tons Of Standard Coal)</p>
<p>Direct Greenhouse Gas Emissions</p> <p> <b>128.97</b> (In Tons Of Carbon Dioxide Equivalent)</p>	<p>Indirect Greenhouse Gas Emissions</p> <p> <b>27,026.56</b> (In Tons Of Carbon Dioxide Equivalent)</p>


### ◎ Governance Performance

<p>Number Of Shareholders' Meetings Held</p> <p> <b>3</b> (Times)</p>	<p>Number Of Board Meetings Held</p> <p> <b>8</b> (Times)</p>
<p>Number Of Supervisory Board Meetings Held</p> <p> <b>6</b> (Times)</p>	

### ◎ Research And Development (R&d) Performance

<p>Total R&amp;d Investment</p> <p> <b>2,341.71</b> (In Rmb 10k)</p>	<p>Number Of R&amp;d Team Members</p> <p> <b>71</b> (Person)</p>
<p>Total Number Of Authorized Patents</p> <p> <b>37</b> (Item)</p>	<p>Total Number Of Published Papers</p> <p> <b>16</b> (Article)</p>

### ◎ Social Performance

<p>Total Number Of Employees</p> <p> <b>577</b> (Persons)</p>	<p>Number Of Employees From Minority Ethnic Groups</p> <p><b>13</b> (Persons)</p>
<p>Employee Training Coverage</p> <p> <b>100</b> (%)</p>	<p>Labor Contract Signing Rate</p> <p> <b>100</b> (%)</p>
<p>Tax Payment Amount</p> <p> <b>4,185.85</b> (In Rmb 10k)</p>	



# About Yuean

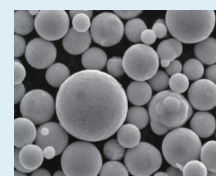
## Company Overview

The Company is a high-tech enterprise focused on the field of advanced materials- micro-nano metal powder. It was established in 2004 and listed on the Shanghai Stock Exchange in 2021 (stock name "YueAn Advanced Material," stock code 688786.SH). The Company holds multiple patented technologies and has been approved as a provincial-level enterprise technology center and a provincial-level carbonyl metal powder material engineering research center. It participates in the formulation of national and industry standards and has passed multiple system certifications. With its proprietary technology in micron-level carbonyl iron powder, the Company was awarded the third prize in Jiangxi Province's Scientific and Technological Progress Award. It is a pioneer in technological innovation within the powder metallurgy industry and is actively involved in important domestic and international technical alliances. Over the years, the Company has completed numerous national and provincial scientific and technological innovation projects. The Company places great emphasis on talent development, bringing together experts, professors, and senior engineers, including two recipients of the State Council Special Allowance, and has established stable partnerships with external research universities, jointly promoting technological innovation and talent development. The Company, leveraging its independently developed micro-nano powder technology, has successfully developed a series of high-performance functional materials. These materials are primarily applied in the manufacturing of electronic components and precision parts. They have effectively replaced similar imported products from major foreign industry players, addressing critical material supply challenges in key domestic sectors. With broad application prospects, this breakthrough marks a new chapter in independent innovation and industry-academia-research collaboration.

# YUEAN

## Company's Business And Products

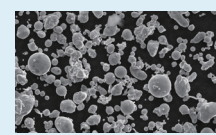
The company's main products are micro-nano metal powders and related deep processing products, including carbonyl iron powder series, atomized powder series, soft magnetic powder series, metal injection molding feedstock series, and microwave absorbing materials series. Among these, the carbonyl iron powder series and atomized powder series are the basic products. In addition to being sold directly, they can also be further processed into higher-value-added products such as soft magnetic powder series, metal injection molding feedstock series, and microwave-absorbing materials series, based on customer requirements.



**Carbonyl iron Powder series**

### Application

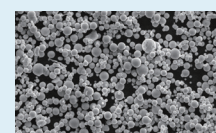
The products include carbonyl iron base powder, carbonyl iron reduced powder, carbonyl iron alloy powder, carbonyl iron reduced alloy powder, carbonyl iron phosphated powder, and carbonyl phosphorous iron powder. These products are primarily used in automotive electronics, consumer electronics, and electric tools.



**Atomized alloy Powder series**

### Application

The products include a series of atomized alloy powders, such as gas-atomized alloy powder and water-atomized alloy powder, which are mainly used in mim manufacturing for 3c structural components, communication base structural parts, mobile phone exterior parts, 3d-printed components, and integrated molded inductors.



**Soft magnetic Powder series**

### Application

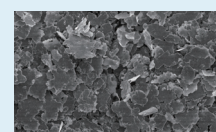
The products include carbonyl iron soft magnetic powder and atomized alloy soft magnetic powder, which are mainly used in the manufacturing of magnetic cores and integrated molded inductors, such as chip inductors, high-frequency transformers, and filters. These products are applied in fields such as integrated circuits, solar photovoltaic industry, communication components, lcd displays, automotive electronics, ai computing power, and 3c products.



**Metal injection Molding feedstock Series**

### Application

The product include iron-based stainless steel alloy feedstock, cobalt-based alloy feedstock, high-strength steel alloy feedstock, titanium alloy feedstock, and others. These are mainly used in mobile phone parts, wearable smart terminals, auto parts, medical equipment, power tools and other fields of metal injection molding products.



**Microwave absorbing Materials series**

### Application

The products include microwave absorbing powders, patches, and coatings, which are mainly applied in fields such as mobile communication (e.g., Mobile phones), rfid, base stations, computers, personal protection, and defense stealth technology.

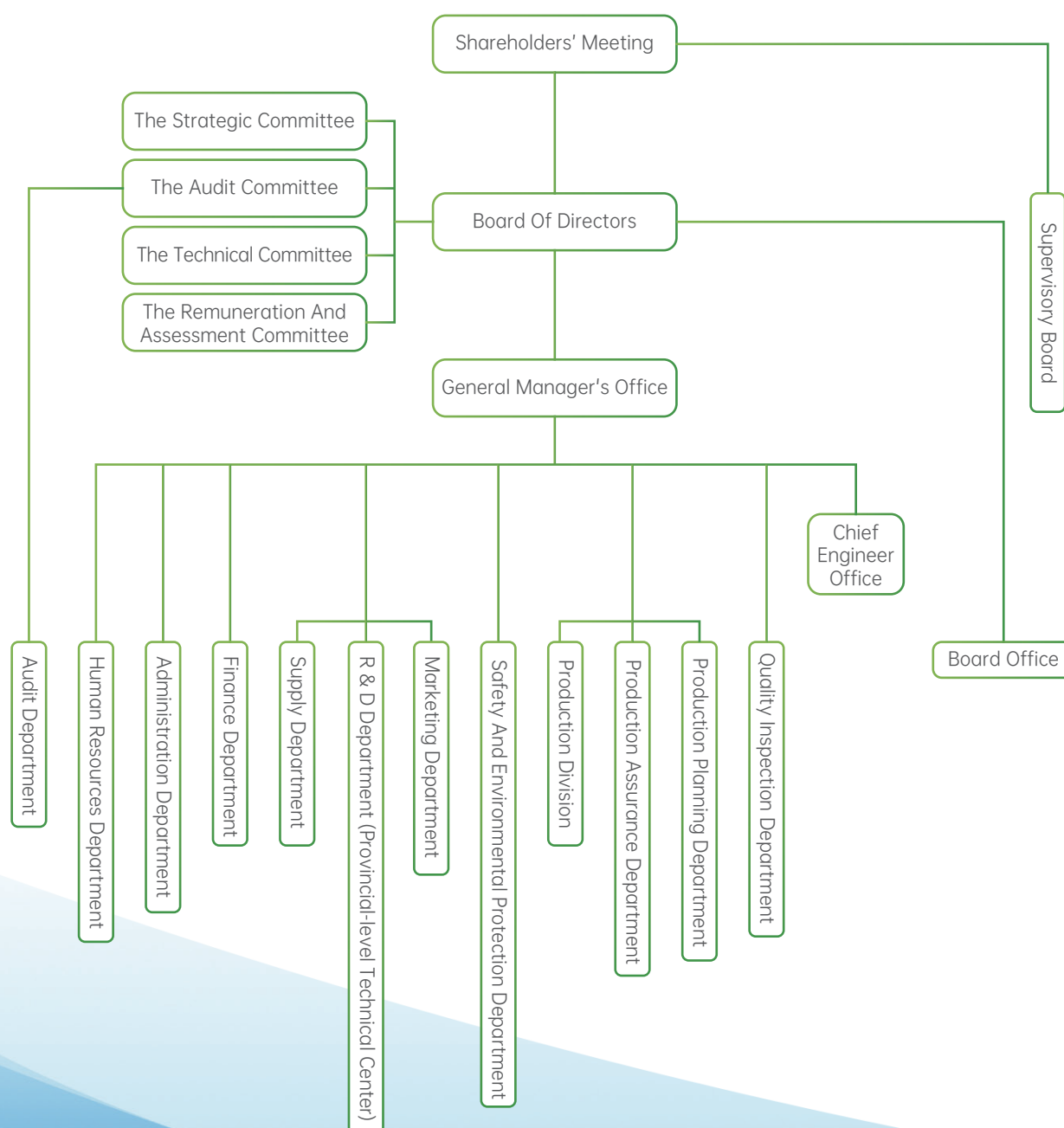


# History And Milestone



## Organizational Structure

### YueAn's Organizational Structure



## Company Culture





## Honers And Awards In 2024



All-china Federation Of Trade Unions



Department of Industry and Information  
Technology of Jiangxi Province



Leading Group Office Of Ganzhou City  
Of High Quality Development



Ganzhou Municipal Market Regulation  
And Administration Bureau



Department of Industry and Information Technology of Jiangxi Province;  
Jiangxi Administration for Market Regulation

## Industry Association

Organization	Position
Sub-association for Powder Metallurgy Industry, CSCS	Member
China Powder Metallurgy Alliance	Member
Magnetic Materials Branch Of China Electronics Materials Industry Association	Member
European Powder Metallurgy Association	Member
Alliance Of China 3d Printing Technology Industry	Member
Ganzhou City Ganshang Federation	Chairman's Unit

# Sustainable Development Governance

# 01

## SDGs in this Chapter



## Key ESG Issues in this Chapter

- Stakeholder Communication

# YUEAN



# Sustainable Development Governance

## ESG Vision

Leading new materials technology,  
Driving a sustainable future

## ESG Mission

Innovate with Technology,  
Becoming the Leader for New  
Materials, Support sustainable  
development



## ESG Core Values

Adhering to the People-Centered  
Principle, Pursuing Innovation and Green  
Development to Achieve Mutual  
Prosperity for both the Enterprise  
and Society

# ESG Mangagement

As a leader in the domestic carbonyl iron powder industry, the company has always been market- and customer-driven. The company has established a sound ESG management framework, integrating the concept of sustainable development into its business strategy. It has also improved its information reporting system, regularly collecting ESG-related data and reporting to the board of directors. The company focuses on energy conservation and carbon reduction, implementing emission reduction measures to minimize its environmental impact, promoting harmonious coexistence between economic development and environmental protection.



ESG Management Architecture

## Board Of Directors

The board of directors is the decision-making body responsible for making decisions on significant ESG-related matters and issues, and is also responsible for reviewing the company's annual ESG report.

## ESG Strategic Committee

The company's ESG strategic committee is in charge of researching and formulating the company's ESG strategy and policies, and of supervising, monitoring, evaluating, and providing recommendations on the company's environmental, social, and governance responsibilities. The ESG strategic committee reports to the board of directors and is accountable to the board.

## ESG Manager

The ESG manager is responsible for developing the ESG strategic plan and goals, as well as establishing the governance framework and setting objectives. They oversee and drive the implementation of projects. Regarding external communication, the ESG manager ensures the quality, consistency, and continuity of the disclosed information.

## ESG External Experts And Alliances

Led by the ESG Manager, ESG external experts and alliances are responsible for establishing the management process for ESG information disclosure, publishing ESG-related information on the official website and wechat official account, and communicating and engaging with external stakeholders on ESG.

## ESG Operational System

The ESG manager leads relevant departments and personnel in interpreting global ESG standards and updates, conducting internal advocacy and training on ESG development. They drive the implementation of the ESG system, identify risks, promote continuous improvement, and oversee the preparation of the ESG report.

## Employee Skill Development

To enhance ESG management capabilities and professional expertise, the Company actively organizes and encourages employees to participate in internal and external ESG-related training. During the reporting period, employees completed training on ESG strategy development and advanced best practices, obtaining relevant certifications.








## Aligning With Sustainable Development Goals

The Company actively responds to the United Nations Sustainable Development Goals (SDGs), striving to align its long-term growth with sustainable development objectives.

Aligning SDGs	Our Action
  	<p>Sustainable Development Governance, Improving the Governance Structure</p> <p>Board of Directors, Supervisors and Senior' Remuneration Management, Strengthen Risk Control</p> <p>Optimiz Investor Relations Services, Practice Business Ethics</p>
  	<p>Climate change response, Environmental compliance management</p> <p>Resource efficiency</p>
  	<p>Innovation leading the future, product Quality assurance</p> <p>Responsible Supply Chain, Data Security Governance</p>
      	<p>Employee Rights Protection, Employee Career Development</p> <p>Occupational Health and Safety, Social Public Welfare Contributions, Supporting Rural Revitalization</p>

## Stakeholder Communication

The company implements comprehensive and high-efficiency stakeholder communication initiatives to accurately understand and address the expectations and demands of various stakeholders, helping to improve decision-making quality while building a positive corporate image.

Stakeholder	Expectations And Demands	Communication And Response Method
 Employee	Diversity and equality Democratic management Fair compensation Welfare system Employee career development Occupational health and safety	Protecting employee rights Advocating democratic management Enhancing employee communication Conducting employee training Protecting employee health
 Customers	Product quality assurance High-quality service Customer rights protection Information and privacy security	Ensuring product quality Continuous innovation and r&d Complaint handling and resolution Customer satisfaction surveys Protecting customer privacy
 Government / regulatory authorities	Pay taxes in full obeying the law Operate with integrity and compliance Energy conservation and emission reduction Safety production	Comply with laws and regulations Respond to government policies Pay Taxes in accordance with the law Adhere to business ethics
 Shareholders / investors	Robust corporate governance Shareholder returns Risk management Investor protection Transparent information disclosure	Governance system improvement Profit distribution Risk management Investor communication Timely information disclosure
 Suppliers	Positive cooperation relationships Collaborative development Transparent procurement Incorruptible procurement	Compliance with legal obligations Collaborative development Incorruptible procurement
 Public welfare organizations / community organizations	Support rural development Social welfare Care for vulnerable groups	Social welfare Rural revitalization
 Industry associations / research institutions	Fair competition Friendly communication Industry progress Collaborative development	Participate in industry activities Contribute to industry development



## Management Of Critical Issues

The company actively conducts critical issues identification, referring to the evaluation methods from disclosure standards such as "shanghai stock exchange listed company self-disciplinary supervision guidelines no. 14 - sustainability report (trial)", "gri 3: material topics", and "international financial reporting sustainability disclosure standard no. 1 - general requirements for sustainability-related financial disclosure (ifrss1)", among other domestic and international standards. By incorporating analysis perspectives on impact significance and financial significance, the company deeply explores and precisely identifies topics that have a major impact on business operations, market performance, social responsibility, and long-term development. This lays a solid foundation for formulating the company's sustainability strategy, optimizing resource allocation, and enhancing competitiveness. At the same time, it provides transparent and credible information references to investors, stakeholders, and society at large.

### ◎ Assessment Process Of Critical Issues

#### Assessment Process

Company Background Analysis



Issue Selection



Assessment Of The Importance Of The Topic



Recognition Of The Importance Of The Topic

#### Methods Of Analysis

Against the background of the current evolution of global trends, and considering the future outlook of the industry in which the company operates, the uniqueness of its own business model, and the actual situation of its production and operation, we provide an in-depth analysis of the various challenges and potential opportunities that the company is about to face.

In accordance with the exchange's guidelines and with international standards such as gri, sdgs, sasb, msci, etc., the company will build a wide-ranging and targeted sustainable development issue pool based on the above and the key issues in the field of sustainable development in the same industry both at home and abroad.

#### Impact significance assessment

Based on the actual production and management, the company analyzes the potential or actual positive and negative impacts of each sustainable development issue on the external environment, society and the economy.

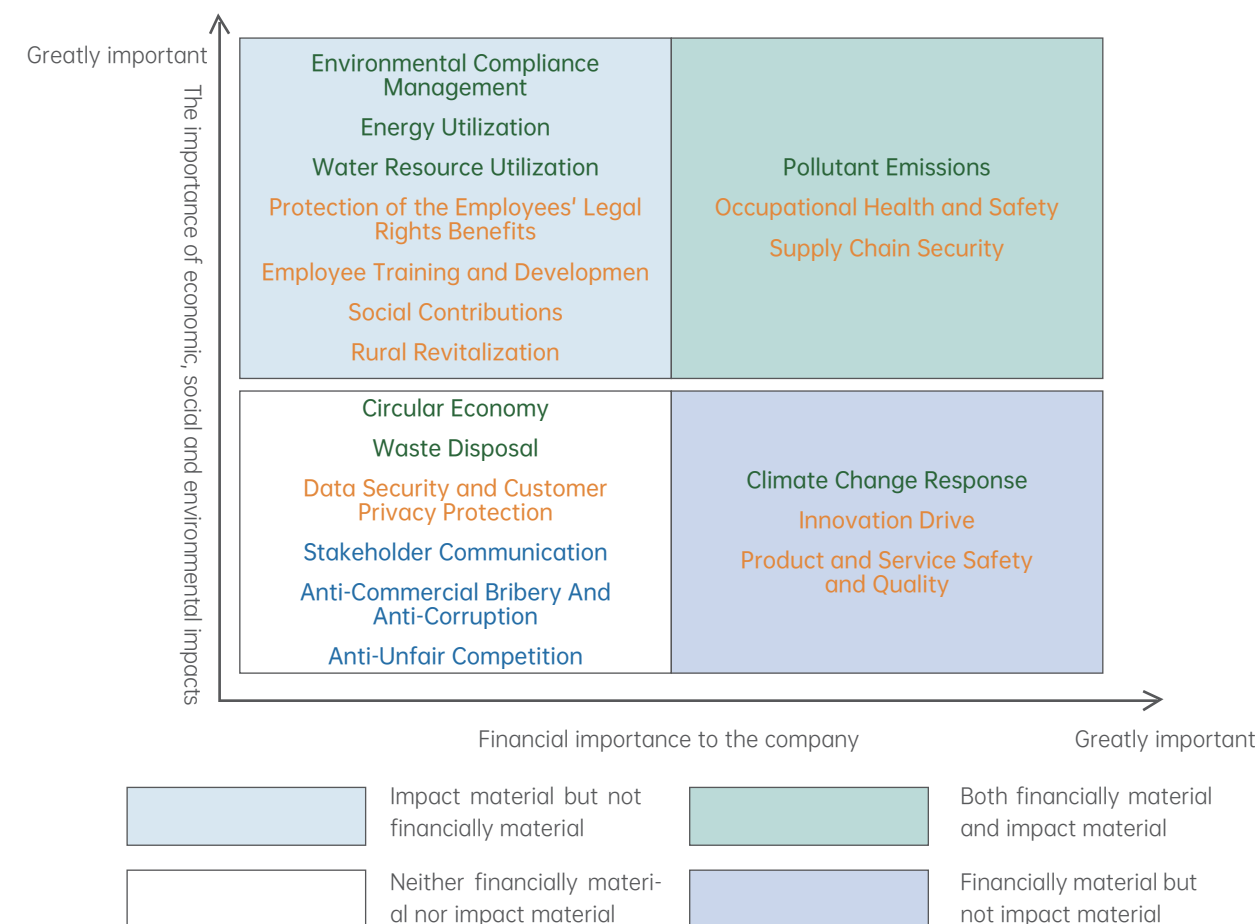
#### Financial significance assessment

Through the analysis of impact, dependency, internal stakeholder surveys, and other factors, the company, in conjunction with expert judgment, as well as risk identification and assessment lists from various departments, identifies and evaluates the risks and opportunities under relevant topics. This process allows for the assessment of issues with financial significance.

Based on the results of this year's analysis, a matrix of importance issues was formed for the future of the company, which provides a solid basis for strategic planning and decision-making.

### ◎ Results Of Critical Issues Assessment

The company analyzed the impact importance and financial importance of the current year's issues, and presented the results of the analysis and the priority of the importance of each issue in the form of a matrix.



Matrix Of Significant Issues Of YueAn

Importance	Issues
Double importance	Pollutant emissions, occupational health and safety, supply chain security
Only financial importance	Climate change response, innovation drive, product and service safety and quality
Only impact importance	Environmental compliance management, energy utilization, water resource utilization, protection of the employees' legal rights benefits, employee training and development, social contributions, rural revitalization
Related	Waste disposal, circular economy, data security and customer privacy protection, stakeholder communication, anti-commercial bribery and anti-corruption, anti-unfair competition

# Improve The Governance System And Enhance Decision-Making Efficiency

## 02

### ◎ SDGs In This Chapter



### ◎ Key Achievements In 2024

- The Shareholders' Meeting Was Held **3** Times, With **16** Agenda Items Approved.
- The Board Of Directors Held **8** Meetings And Reviewed **40** Items.
- The Supervisory Board Held **6** Meetings. **16** Items Were Reviewed And Approved.

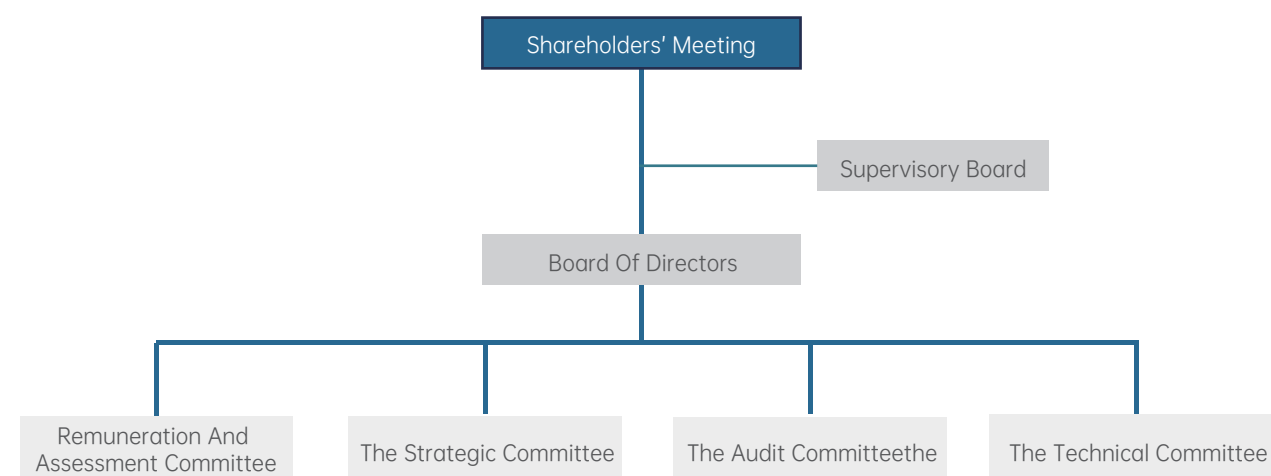
### ◎ Key ESG Issues In This Chapter

- Anti-commercial Bribery And Anti-corruption
- Anti-unfair Competition

# YUEAN

## Improving The Governance Structure

The company strictly complied with the "company law of the people's republic of china" (hereinafter referred to as the "company law"), the "securities law of the people's republic of china" (hereinafter referred to as the "securities law"), and the "corporate governance code for listed companies" among other laws and regulations. The company has formulated and continuously improved internal management systems such as the "articles of association," "rules of procedure for the shareholders' meeting," "rules of procedure for the board of directors," and "rules of procedure for the supervisory board," ensuring that the company's operations are in line with established guidelines. At the same time, a sound and transparent corporate governance system has been established. Through continuous optimization and practical implementation of these systems, the company has effectively enhanced the transparency and standardization of its corporate governance.



Governance Structure Of YueAn

## Shareholders' Meeting

As the authority of the Company, the shareholders' meeting exercised the decision-making power of the Company's business policy and investment plan in accordance with the law, and is responsible to all shareholders.

To ensure the participation and voting rights of all shareholders, the company formulated the "shareholders' meeting rules" based on relevant laws and regulations such as the "company law," "rules for shareholders' meetings of listed companies," and "corporate governance guidelines for listed companies," as well as the provisions of the "articles of association." the company strictly followed the relevant regulations in convening shareholder meetings and hired lawyers to issue legal opinions on the meeting's convening procedures, voting procedures, and results, ensuring the process was legal and compliant.

During the reporting period, the company held shareholder meetings combining on-site voting with online voting to ensure the convenience of participation for all shareholders.

### Key Performance

The shareholder meeting was held **3** times, and **16** proposals were approved.

## Board Of Directors

The company established a board of directors in accordance with the law, serving as the decision-making body, accountable to and supervised by the shareholders' meeting. To regulate board meeting procedures and decision-making processes, the company formulated the "board of directors meeting rules," clearly defining the responsibilities and powers of the board, and ensuring directors fulfill their duties correctly and effectively. The company followed the relevant provisions of the "company law" and the "articles of association" to elect directors, ensuring a fair and transparent election process.

### Key Performance

The board of directors held **8** meetings and reviewed **40** items.





The Company's board of directors has set up four specialized committees: the Strategy Committee, the Technical Committee, the Remuneration and Assessment Committee, and the Audit Committee. It has established the "Working rules of the Board of Directors' Strategy Committee," "Working Rules for the Board of Directors' Technical Committee," "Working Rules for the Board of Directors' Remuneration and Assessment Committee," and "Working Rules for the Board of Directors' Audit Committee," clarifying the scope of responsibilities and decision-making processes for each committee. This ensures that the committees can efficiently and professionally perform their functions, providing strong support and advice to the board of directors, and promoting the Company's long-term development and governance improvement.

To fully ensure the independence of each committee, independent directors participate in all specialized committees, ensuring the fairness and efficiency of the Company's governance structure.

Name Of The Committee	Members of Independent Director	Members of Non-independent Director	Percentage Of Sole Director	Whether The Independent Directors Serve As Convener
Strategic Committee	1 Members	4 Members	20%	No
Technical Committee	2 Members	2 Members	50%	No
Remuneration And Appraisal Committee	2 Members	1 Member	67%	Yes
Audit Committee	2 Members	1 Member	67%	Yes

#### Key Performance

The strategic Committee held **1** meeting. The technical Committee held **1** meeting.  
The remuneration and appraisal committee held **3** meetings. The audit committee held **4** meetings.

## Board Independence

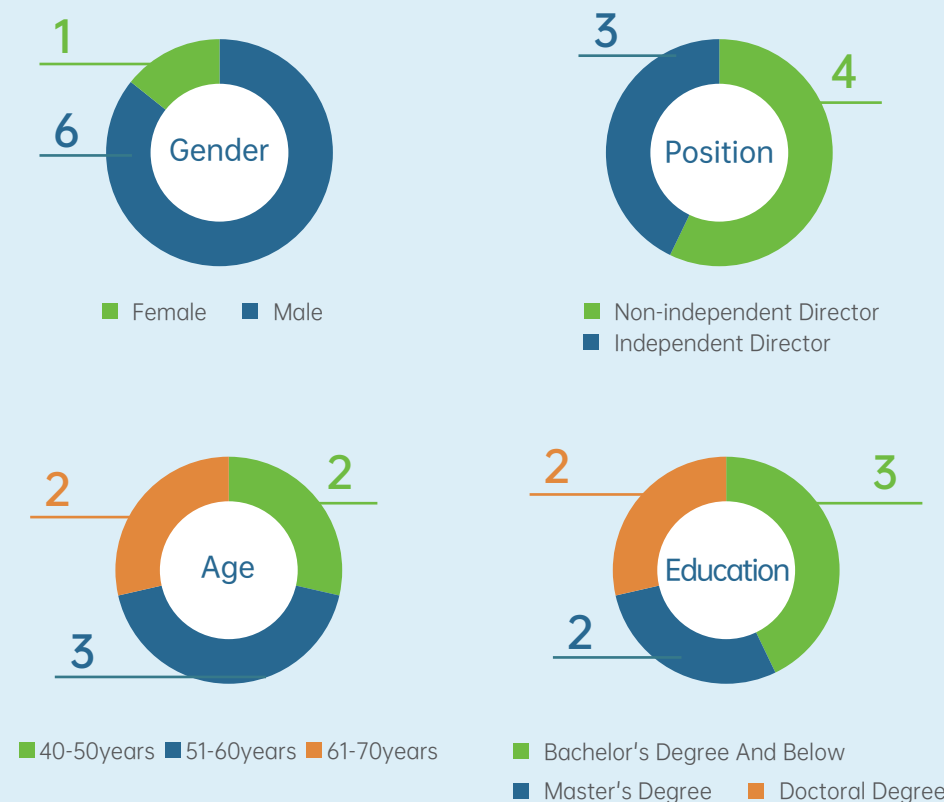
To fully ensure that independent directors can exercise their powers independently and in accordance with the law, the Company formulated the "Independent Director Work System." By the end of the reporting period, the Company had 3 independent directors. Each independent director strictly followed the system's requirements and deeply participated in the review of major company decisions. Regarding the matters reviewed by the board, the independent directors maintained an objective and impartial stance, providing independent opinions and effectively safeguarding the legitimate rights and interests of all shareholders.

## Board Diversity

The company fully considered the diversity of the board of directors, focusing on the professional capabilities and experiences, age, gender, and other aspects of the members. This ensured that the board possessed a broad knowledge base, rich experience, and diverse perspectives, enabling it to make more comprehensive, scientific, and visionary decisions when facing a complex and changing business environment.

As of the end of the reporting period, the company had a total of 7 directors.

### Board Diversity Composition



## Supervisory Board

The company's supervisory board strictly adhered to the provisions of the company law, securities law, and other relevant laws and regulations, as well as the company's articles of association and the supervisory board rules. It diligently fulfilled its supervisory responsibilities. With a rigorous and responsible attitude, the supervisory board independently exercised its powers in accordance with the law, focusing on safeguarding the interests of the company and its shareholders, and actively carried out its duties. Through meticulous oversight, the supervisory board ensured the legality and compliance of the company's business operations, major investments, profit distribution, related-party transactions, financial status, and the performance of duties by the board of directors and senior management, effectively protecting the legitimate rights and interests of all shareholders.

The company's supervisory board consists of 3 members, including 1 employee representative supervisor, elected by the employee representative assembly. The number and composition of the supervisory board comply with the requirements of laws and regulations.

#### Key Performance

The Supervisory Board held **6** meetings. **16** items were reviewed and approved.

## Board Of Directors, Supervisors And Senior' Remuneration Management

The company attached great importance to and managed the remuneration system for directors, supervisors, and senior management personnel in a scientific manner. The aim was to establish a fair, reasonable, and motivating remuneration mechanism, which fully motivated and continuously stimulated the enthusiasm, sense of responsibility, and innovative potential of the core management team, laying a solid foundation for the company's steady operation, sustainable development, and long-term prosperity.

### Board Of Directors, Supervisors And Senior' Remuneratio Status

Board of directors, supervisors and seniors' decision-making process	The remuneration of the company's directors and supervisors is determined by the shareholders' meeting, while the remuneration of senior management is determined by the board of directors.
Board of directors, supervisors and seniors' basis for remuneration determination	The company's non-independent directors and supervisors receive remuneration based on the management positions they hold. The remuneration of senior management consists of a basic annual salary and performance-based pay. The basic annual salary is determined according to the specific positions held within the company and in accordance with the company's relevant salary policies, while the performance-based pay is determined based on their annual performance evaluations. The remuneration of independent directors is in the form of a service allowance, which is set by the company's board of directors with reference to market rates and approved by the shareholders' meeting.
Board of directors, supervisors and seniors' actual payment situation	According to the company's relevant regulations, remuneration for each director, supervisor, and senior management personnel is paid based on their level of contribution and in accordance with the terms of their labor contracts. Independent directors receive a fixed remuneration as stipulated by the company's internal policies.

### Key Performance

At the end of the reporting period, the total remuneration received by all directors, supervisors, and senior management personnel amounted to **4.1063** million yuan.

## Strengthen Risk Control

The company attached great importance to and deeply practiced risk management work by establishing a scientific system for risk identification, assessment, monitoring, and response, which comprehensively enhanced the company's risk prevention and control capabilities.

### ◎ Risk Management And Internal Control

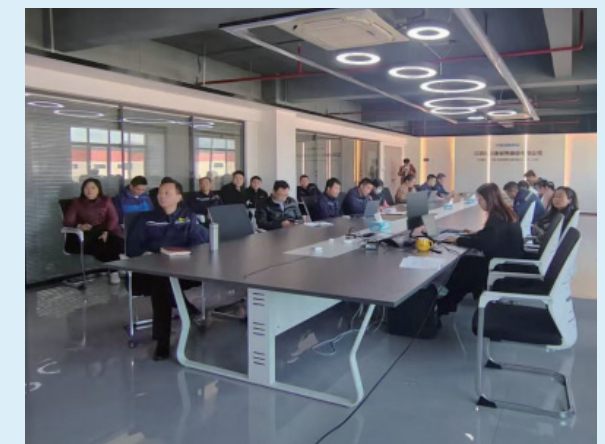
The company strictly adhered to the "basic norms for enterprise internal control" and other relevant laws and regulations. It developed systems such as "internal control and risk management" and "internal major information reporting management requirements" to improve its risk management and internal control system. Through systematic processes, strict supervision mechanisms, and continuous improvement measures, the company ensured the stability of its business operations, enhanced its risk resistance capability, and strengthened its market competitiveness and sustainable development potential.

The company established an audit department, which independently exercised its supervisory authority under the direct leadership of the board audit committee. It supervised the establishment and effective implementation of the company's internal control system.

### Case

### Training On Internal Control Risk-related Policies

During the reporting period, the company actively promoted an employee capability and competency enhancement program, organizing a series of targeted training sessions. The training covered trains such as "internal control and risk management," "internal major information reporting management requirements," and "public opinion management and precautions for listed companies," among others. These efforts strengthened internal controls, standardized the information reporting process, and improved the company's ability to respond to public opinion, comprehensively covering key areas of the company's operations and supporting its steady development.



### ◎ Tax Management

The company strictly adhered to the "tax collection and administration law of the people's republic of china," the "corporate income tax law of the people's republic of china," and other national tax regulations, faithfully fulfilling its tax obligations, accurately calculating, and paying taxes in full accordance with the law.

During the reporting period, the Company paid national taxes amounting to 41.8585 million yuan in accordance with the law.

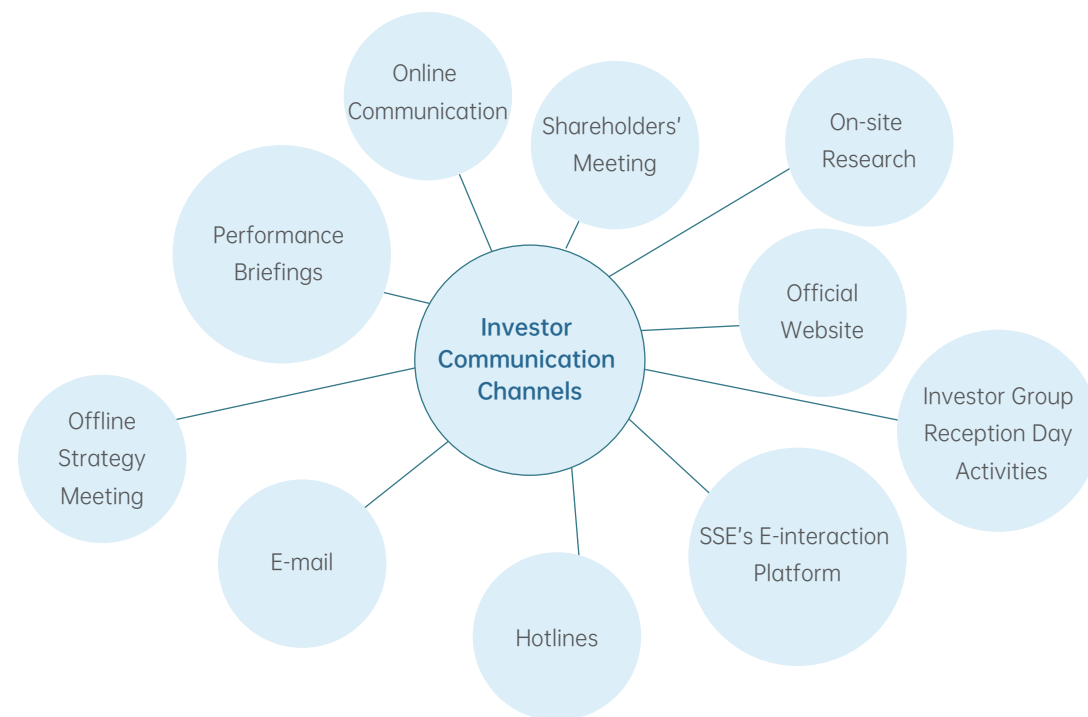
## Optimize Investor Relations Services

The company attached great importance to and continuously strengthened investor relations management, aiming to establish efficient, open, and transparent communication channels. This ensured that all stakeholders could timely and accurately access information about the company's operations and strategic development direction, thereby enhancing investors' trust and support for the company and improving its market transparency and brand image.

### Investor Relations Management

The Company strictly adhered to relevant laws and regulations such as the "Company Law" and the "Securities Law," and developed an "Investor Relations Management System" to strengthen effective communication between the Company and investors, ensuring the protection of the legitimate rights and interests of investors, especially minority shareholders.

Through channels such as performance briefings, hotlines, and the SSE's e-interaction platform, the Company responded promptly to investor concerns regarding the Company's operating performance, financial condition, future development strategies, progress of major investment projects, expected returns, dividend policies, governance structure, and management changes.



#### Key Performance

Hosted **39** investor relations events, receiving **218** researchers from **107** institutions.  
 Conducted **4** earnings presentations (including online collective investor sessions).  
 Responded to **97** investor inquiries via the SSE E-Interactive Platform with a **100%** response rate.  
 Facilitated **210** interactions through email correspondence and hotline communication.

## Information Disclosure Management

The company strictly adhered to the "management measures for information disclosure of listed companies," the "Shanghai Stock Exchange Star Market Listing Rules," and other relevant laws and regulations. It established the "information disclosure management system" to standardize information disclosure practices, promote lawful and regulated operations, and protect the legal rights of shareholders and investors.

During the reporting period, the company did not incur any penalties due to violations related to information disclosure.

#### Key Performance

Disclosed **4** regular reports. Disclosed **117** interim reports and attachment.

## Shareholder Rights Protection

The company has always placed shareholder interests at the core. In accordance with the provisions of the "articles of association," the company has improved its profit distribution mechanism, comprehensively considering the company's operating conditions, development prospects, and market conditions. A fair and transparent profit distribution plan has been formulated to safeguard the overall interests of the company while maximizing the fulfillment of shareholders' investment expectations.

Indicators	2022	2023	2024
Cash dividend per share (rmb)	0.60	0.60	0.25
Total dividend payout (10k rmb)	5,133.17	5,135.71	2,995.83
Percentage of net profit attributable to The owners of the parent company in the Consolidated financial statements (%)	51.96	64.29	42.62

Note: The profit distribution plan for 2024 still needs to be submitted to the company's 2024 annual shareholders' meeting for review and approval before it can be implemented.





## Practice Business Ethics

The Company has always adhered to fair and impartial business conduct standards, strengthening internal management and raising employee awareness to ensure operational transparency and fairness in decision-making processes, promoting the Company's continuous and steady development.

During the reporting period, no internal employee misconduct or violations of business ethics occurred.

### ◎ Anti-commercial Bribery And Anti-corruption

The Company established the "Anti-Corruption Management Measures," adhering to the principle of prevention first and a combination of punishment and prevention, strengthening corporate governance and internal control management, preventing fraud, and safeguarding the Company's interests. The Audit Department, as the permanent organization for anti-corruption work, is responsible for receiving, investigating, reporting corruption-related complaints, and making recommendations for handling.

At the same time, to enhance employees' awareness of anti-corruption, the Company actively conducted anti-corruption education and promotion activities to create a clean and fair working environment. During the reporting period, 115 individuals signed integrity agreements and other related commercial conduct documents.

#### Case

#### Business Ethics Training

During the reporting period, the Company focused on integrity construction and held a training session on "Corporate Internal Anti-Corruption Legal Education," led by the executive legal advisor. The training explained legal requirements for anti-corruption and clean governance, analyzed the definition, consequences, and sanctions of corrupt practices, interpreted the Company's internal anti-corruption regulations, and clarified compliance and non-compliance behaviors in daily work, effectively fostering an atmosphere of integrity and self-discipline within the Company.



#### Key Performance

A total of **35** people participated in anti-commercial bribery and anti-corruption training, including **3** directors and senior managers, accounting for **42.86%** of the total number of directors and senior managers.

Total training hours provided for anti-commercial bribery and anti-corruption: **70** hours, of which **6** hours were for directors and senior management.

Average training time for anti-commercial bribery and anti-corruption per participant: **2** hours, of which **2** hours were for directors and senior management.

## Whistleblowing Mechanism

To strengthen the prevention and control of fraud, the company has formulated the "anti-bribery, anti-corruption, anti-fraud, and whistleblowing management system," which defines the scope of bribery, corruption, and fraudulent behaviors, ensures clear reporting channels, and encourages all employees and stakeholders with direct or indirect economic relationships with the company to actively expose any identified bribery, corruption, or fraudulent activities.

At the same time, the company implements whistleblower protection by strictly maintaining the confidentiality of whistleblowers' information and reports, and firmly preventing retaliation or retribution against individuals for complaints or whistleblowing actions.

### Public Whistleblowing Channels

Telephone	0797-8705008
E-mail	audit@yueanmetal.com

### ◎ Anti-Unfair Competition

The company actively practiced the requirements of the "anti-unfair competition law of the people's republic of china" and was committed to creating a fair and healthy market competition environment. Upholding the principle of integrity-based business operations, the company firmly opposed any form of unfair competition. By strengthening internal management, improving market mechanisms, and enhancing service quality, the company effectively maintained market order.

During the reporting period, no lawsuits or significant administrative penalties due to unfair competition were encountered.

### ◎ Responsible Marketing

The company actively advocated and practiced the concept of responsible marketing, striving to establish a positive image in market competition and ensuring that marketing activities were truthful and transparent. While pursuing commercial interests, the company placed greater emphasis on social responsibility, committed to providing customers with environmentally friendly, high-quality products to meet the market's demand for sustainable development.

During the reporting period, no violations of relevant regulations on product and service information or voluntary codes occurred.



# Green And Low-carbon Leadership, Creating A Better Future Together

# 03

## SDGs In This Chapter



## Key Achievements In 2024

- Environmental Investment: **7.5923** Million Rmb
- Environmental Incidents: **0**
- Total Energy Consumption **6,405.19** Tons Of Standard Coal
- Greenhouse Gas Emissions **27,155.53** Tons Of Carbon Dioxide Equivalent

## Key ESG Issues In This Chapter

- |                                       |                       |
|---------------------------------------|-----------------------|
| • Environmental Compliance Management | • Pollutant Emissions |
| • Energy Utilization                  | • Waste Disposal      |
| • Climate Change Response             | • Circular Economy    |
| • Water Resource Utilization          |                       |

# YUEAN



## Climate Change Response

In light of the growing global climate crisis, the company has deeply recognized the severity of the climate crisis and the urgency of participating in global climate governance. The company has thoroughly identified and assessed the climate-related risks and opportunities it faces, integrating environmental protection concepts into aspects such as environmental management and production processes. This approach has guided the company to actively address the challenges of climate change and steadily progress toward the goal of reducing carbon emissions. In doing so, the company has effectively implemented the national "carbon peak, carbon neutrality" policy and contributed to sustainable development.

### ◎ Governance

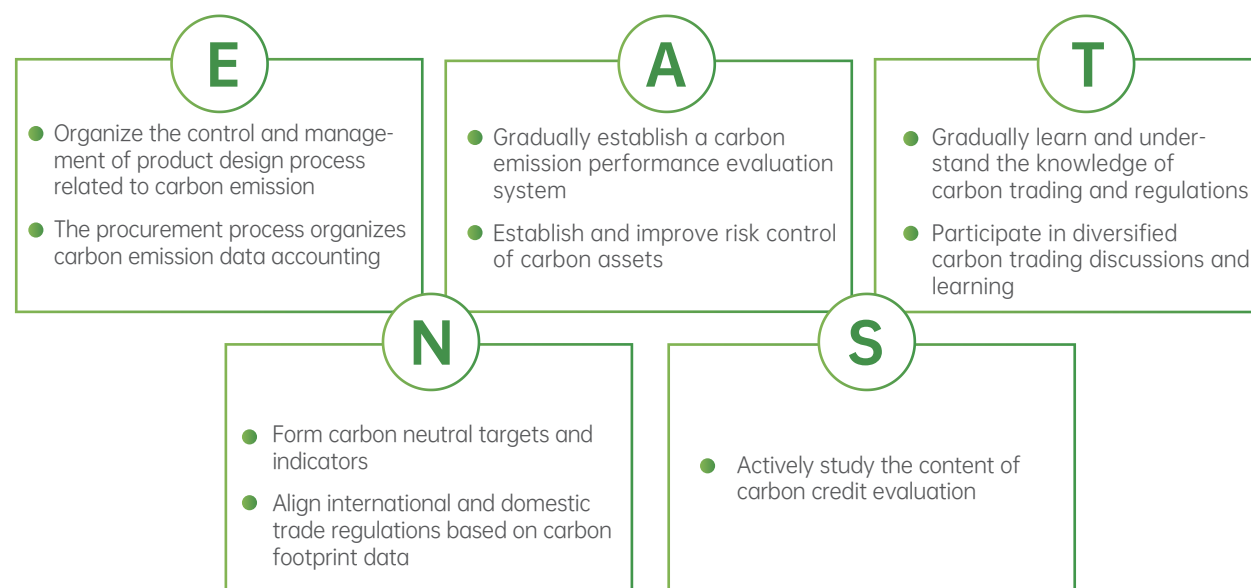
The company actively responded to the national "dual carbon" goals and was committed to building a comprehensive climate governance system. At the same time, the company placed great emphasis on enhancing employees' professional capabilities in carbon management. It organized internal and external training on carbon assets, covering topics such as carbon trading mechanisms and carbon footprint accounting. This initiative helped employees master cutting-edge knowledge, laid a solid foundation for the company's climate governance efforts, and collectively drove the company toward sustainable, low-carbon, and environmentally friendly development.

#### Case Carbon Asset Management Course

During the reporting period, the company encouraged employees to participate in the carbon asset management course organized by the shenzhen emissions exchange. The training covered topics such as acquiring, trading, monitoring, and compliance strategies for carbon emissions rights. Through this course, the employees were able to understand the operation mechanism of the carbon market and enhance their carbon asset management capabilities to address climate change challenges and achieve sustainable development goals.

All employees who participated in the training passed the assessments and received certification.

### Carbon Management System



### ◎ Strategy

Risk Type		Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Physical Risk	Acute Risk	The company headquarters is located in ganzhou, where seasonal impacts may lead to severe convective weather and cold waves. During the rainy season, heavy rainfall may occur, potentially damaging buildings and production facilities, and threatening personnel safety.  Some subsidiaries are located in hainan, guangzhou, and other areas that may be affected by typhoon seasons, which could cause damage to the company's infrastructure.	Short term	Operation	Operating costs increase	<ul style="list-style-type: none"> <li>Conduct regular assessments of climate change impacts on business operations;</li> <li>Develop contingency plans and conduct drills to ensure rapid response during extreme weather events;</li> <li>Collaborate with government agencies to obtain policy support and funding subsidies for enhanced disaster resilience.</li> </ul>
	Chronic Risk	Some regions are affected by high temperatures and rising sea levels, which may increase cooling energy consumption and pose threats to operational sites.	Medium and long term	Operation	Operating costs increase	
Transition Risk	Policy Risk	The government may introduce relevant environmental regulations requiring companies to reduce carbon emissions or improve resource utilization efficiency. The company may face greater carbon reduction pressure and need to bear higher carbon emission costs.	Short, medium, and long term	Operation	Operating costs increase	<ul style="list-style-type: none"> <li>Proactively respond to the national "carbon peak and carbon neutrality" policy by implementing carbon neutrality action plans to ensure corporate operations comply with regulatory requirements and mitigate compliance risks arising from policy adjustments.</li> </ul>
	Market Risk	Climate change may impact demand in downstream industries, such as fluctuations in the new energy and electronics sectors, thereby affecting the company's performance.	Medium to long term	Downstream	Operating income decreases	<ul style="list-style-type: none"> <li>Adjust market strategies to meet consumer demand for sustainable products.</li> </ul>



Opportunity Type	Opportunity Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Policy Opportunities	The government may introduce relevant industrial policies to support the low-carbon development of the nano/micro metal powder materials sector. The company should proactively seek such policy incentives to reduce operational costs and enhance profitability.	Short to medium term	Operation	Operating costs decrease	<ul style="list-style-type: none"> <li>Proactively responded to national policies to obtain more resources and technical support.</li> </ul>
Technology Opportunities	<p>The company can increase investment in low-carbon technology r&amp;d to develop more efficient and energy-saving production technologies for nano/micro metal powder materials. This will improve resource utilization efficiency, reduce carbon emissions, meet environmental requirements, and enhance core competitiveness.</p> <p>In addressing climate change, the company has more opportunities to collaborate with universities and research institutions through industry-academia-research partnerships to jointly tackle low-carbon technology challenges and accelerate technological innovation and commercialization.</p>	Medium and long term	Operation	Revenue growth	<ul style="list-style-type: none"> <li>Continuously optimize production processes, improve manufacturing techniques for carbonyl iron powder and atomized alloy powder, enhance production efficiency and product quality, meet market demand for high-performance and environmentally friendly products, and expand market share;</li> <li>Actively collaborate with universities to jointly explore more sustainable and efficient production technologies and material application solutions, stay ahead of industry technology trends, develop more competitive products, and create new market opportunities.</li> </ul>
Market Opportunity	With increasing global attention to climate change, emerging industries are generating growing demand for nano-micro metal powder materials. The company can leverage these emerging market opportunities to expand its market share.	Medium and long term	Operation downstream	Revenue increases	<ul style="list-style-type: none"> <li>By leveraging its competitive edge in green production, the company will actively explore opportunities in emerging sectors such as new energy and energy conservation/environmental protection. This includes supplying high-performance metal powder materials to industries like new energy vehicles and photovoltaics, thereby capturing growth opportunities presented by developing industries.</li> </ul>

## ◎ Impact, Risk, And Opportunity Management

To effectively prevent, control, and address the risks and opportunities arising from climate change, the company continually optimized its climate risk identification, assessment, monitoring, and management processes. This provided robust support for corporate decision-making, ensuring the company could respond with composure and advance steadily in the face of climate challenges.

### Identify

The company collaborated with third-party experts to identify climate change-related risks and opportunities in accordance with national laws and regulations, policy requirements, sustainability trends, and its own operational realities.

### Assess

For the identified risks and opportunities, the company conducted assessments to analyze their potential major financial impacts, time horizons, and magnitude of effects.

### Supervise

The company conducted regular self-assessments of its climate-related risk and opportunity management practices, enabling timely identification of risk exposures and implementation of corrective measures.

### Manage

Based on the identification and assessment findings, the company formulated corresponding response measures to establish a closed-loop management mechanism for climate change risks.

## ◎ Indicators And Targets

Against the backdrop of the global active response to climate change, the company has studied the current situation of the industry and its own operational characteristics in depth, and formulated practical objectives for addressing climate change with reference to international advanced standards.

### Responding To Climate Change Objectives

Reduce carbon intensity by **30%**

The Company's greenhouse gas emissions mainly stem from the consumption of electricity, coke and other resources in daily production activities. In order to mitigate the impact on the environment, the Company has implemented internal cost reduction and efficiency enhancement work, optimized the process flow, improved the utilization rate of raw materials and equipment, and continued to improve the yield rate of its products in order to reduce the consumption of electric energy. Meanwhile, the Company has actively carried out carbon verification and greenhouse gas emission related work. During the reporting period, the Company commissioned a third-party organization to carry out carbon footprint verification and issue evaluation reports, so as to build a solid data foundation for the Company to formulate carbon reduction strategies.

Indicator	Unit	2024
Direct GHG emissions (Scope I)	Tons of carbon dioxide equivalent	128.97
Indirect GHG emissions (scope II)	Tons of carbon dioxide equivalent	27,026.56
Total GHG emissions	Tons of carbon dioxide equivalent	27,155.53
GHG emission intensity	Tons of carbon dioxide equivalent /10k rmb	0.65

## ◎ Cleantech Opportunities

### Enhancing Resource Utilization Efficiency

To improve resource utilization efficiency, the company adopted its proprietary cyclic thermal decomposition process. This innovation increased the yield rate of ultrafine carbonyl iron powder, overcame technical bottlenecks in intensive resource utilization, and established exemplary practices for the industry's green and low-carbon transition—demonstrating the strategic value of corporate sustainable development.

Case



#### Key Technological Process For Improving Fine Powder Yield In Carbonyl Decomposition

Carbonyl decomposition is one of the core processes in carbonyl iron powder production. Through technological improvements and innovation, the Company independently designed critical decomposition equipment and adopted a proprietary cyclic thermal decomposition process. By fully considering factors such as heat transfer efficiency, gas fluidity, and product collection, the process optimized thermal decomposition conditions., as well as implementing advanced automated control systems for precise temperature and atmosphere control to stabilize the carbonyl decomposition process, we increased the yield of ultrafine carbonyl iron powder by 15%, achieving internationally leading technical standards.

### Byproduct Recycling And Utilization

To build an innovative circular economy system and achieve byproduct recycling, the Company promotes the development of the directional conversion technology of carbonylation of rare earth iron slag, creating a value-added cycle of "waste → functional raw material → end product." These initiatives significantly improved overall resource utilization efficiency and economic benefits across the entire production chain.

Case



#### Application Development Of Larger Particle Size Carbonyl Iron Powder

The Company demonstrated significant technological advantages and resource integration capabilities in refining particle size and enhancing added value of coarse carbonyl iron powder. Through multiple proprietary technologies with core independent intellectual property rights, it achieved directional conversion into high-value-added application materials. This approach not only resolved the waste issue of non-standard particle size powder in traditional processes, but also established a complete industrial chain from base powder to high-end applications. Examples include modified granulated soft magnetic powder and coarse-grade carbonyl iron powder for MIM (Metal Injection Molding). This "graded utilization & directional conversion" model fully embodies the Company's core philosophy of efficient resource utilization and value enhancement.

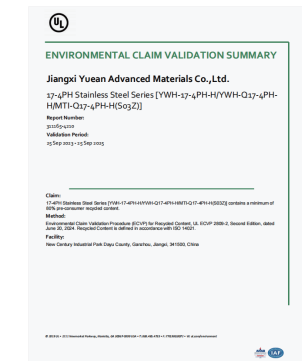
Case



#### Low-Cost Carbonyl Iron Preparation Process(Ongoing Research Project)

The carbonylation reaction of rare earth iron slag, a waste generated from the production process of rare earth permanent magnetic materials, is used to enrich rare earth and other valuable elements. The rare earth industry is one of the key pillar industries in ganzhou. The implementation of this project is of significant importance for local environmental protection, green development, energy conservation, emission reduction, and enhancing economic benefits.

In order to further improve the environmental performance of the products, the Company's five products, including 316L, high-strength steel and 17-4PH, passed the strict testing of the international authoritative certification body UL, and identified that the content of recycled materials is more than 80%, effectively fulfilling the Company's responsibility and commitment in environmental protection, and making positive contributions to protecting the environment and promoting sustainable development.



Recycling system certification

## ◎ Green Products

Based on carbonyl iron powder and ultrafine atomized alloy powder, the soft magnetic powder developed by the Company serves as a core material for integrated inductors. These inductors feature miniaturization, lightweight design, and low power consumption, and are typically used in PCB for computer motherboards and graphics cards. They meet the high-performance demands for inductors in sectors like servers and new energy vehicles. Integrated inductors made from magnetic powder exhibit technical advantages including low loss under high-frequency conditions and high saturation magnetic flux density. These properties contribute to stable power supply, filtering, and electromagnetic conversion, making them suitable for application in new power system scenarios such as new energy vehicles, EV charging infrastructure, and energy storage systems. The Company's fine powder products demonstrate significant power efficiency advantages in medium-to-high frequency operations, aligning with the carbon emission reduction requirements of modern power systems.

## Environmental Compliance Management

The company strictly complied with the environmental protection law of the people's republic of china, the water pollution prevention and control law, and the air pollution prevention and control law, as well as industry standards, actively implemented the green development philosophy that "lucid waters and lush mountains are invaluable assets," and adhered to its environmental policy of "regulatory compliance with energy conservation and emissions reduction, pollution prevention through company-wide participation, and continuous improvement in resource efficiency." through comprehensive control of pollutant and waste generation and discharge, the company achieved green production and compliant operations, with no major administrative penalties imposed by ecological and environmental authorities due to environmental incidents during the reporting period.

## ◎ Governance

The company continuously improved and established its environmental management system in accordance with iso 14001: 2015 requirements and its specific conditions, formulating environmental management measures including the environmental management manual, the construction and operation management system for environmental protection facilities, the environmental protection work regulations, and the responsibilities of environmental protection staff. It implemented an environmental protection target responsibility system, with the safety and environmental protection department responsible for the company's environmental protection work. Regular environmental protection technical training was conducted to promote the effective operation and continuous optimization of the environmental management system. During the reporting period, the company obtained certification for its environmental management system.

## Responsibilities Of The Safety And Environmental Protection Department

- Preparation and revision of environmental management system (ems) documentation,
- Assist the management representative in establishing, implementing and maintaining the ems, and conducting related environmental activities,
- Determination of environmental objectives, targets and programmes,
- Implement the ems within the department,
- Identify and evaluate departmental environmental aspects and significant aspects,
- Comply with identified environmental legal/regulatory and other requirements,
- Formulate and monitor energy/resource conservation measures,
- Select hazardous waste contractors, oversee plant-wide waste classification/disposal, and coordinate with certified recyclers for waste recycling.



Environmental Management System Certification

The company implemented a clean production management system, adopted clean energy and environmentally friendly raw materials, and improved production technologies and management processes. Concurrently, it established an incentive mechanism to recognize outstanding units and individuals in clean production, driving corporate sustainable development and contributing to societal green growth. During the reporting period, the company was selected for the provincial "green factory" list.

Additionally, the company actively conducted organization-wide environmental competency development and awareness enhancement initiatives. Through structured ehs training programs for employees, it systematically expanded staff environmental knowledge and elevated collective safety and environmental awareness, thereby strengthening the human capital foundation for the company's green development.

## Case Training On The New Environmental Protection Law

The company organized a knowledge seminar on the new environmental protection law, providing in-depth interpretation of the legal provisions' key points, scope of application, and the company's responsibilities and obligations in environmental protection work. This initiative helped employees fully grasp the regulatory content and enhanced their voluntary compliance with environmental legal requirements.



## Key Performance

Safety, environmental protection and occupational health training times **10** times

Safety, environmental protection and occupational health training attended **1,100** people

**4,100** hours of safety, environmental protection and occupational health training





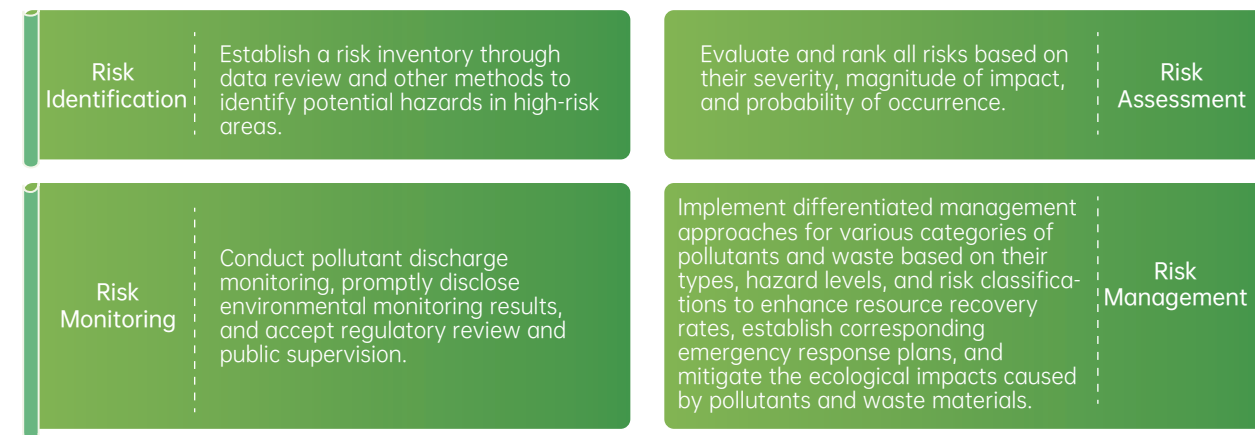
## ◎ Strategy

Risk Type	Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Policy Compliance Risk	Government monitoring agencies have intensified supervision, creating potential penalties for non-compliant operations. For instance, if environmental production standards are violated—such as exceeding wastewater or emissions limits—the company may face mandatory production suspension and corrective orders.	Medium term	Operation	Non-operating expense increases	<ul style="list-style-type: none"> <li>Each department strictly follows the company's rules and regulations as well as national laws and regulations in their operations;</li> <li>The safety and environmental protection department has increased supervision over the company's safety;</li> <li>The carbonyl iron workshop strictly controls production to ensure that wastewater is not discharged;</li> <li>The safety and environmental protection department conducts regular inspections, promptly reports any safety hazards, and organizes their elimination;</li> <li>The production department strengthens safety production training and standardizes safety operations;</li> <li>Management on-duty personnel are designated to supervise production conditions every evening.</li> </ul>
	The hazardous waste was not disposed of in accordance with legal regulations, environmental impact assessment (EIA) requirements, and official approval stipulations.				
Cost Risk	To meet pollutant discharge requirements, the company needs to continuously invest funds and technology in the upgrade, renovation, and operation maintenance of pollution control facilities, which will increase production costs and compress profit margins.	Medium term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Establish and improve the environmental management system, improve environmental management systems, emergency response plans, and hazard investigation and remediation procedures, ensuring the scientific and operable nature of these systems;</li> <li>Regularly organize environmental protection training and conduct drills on environmental management emergency plans;</li> <li>Strictly dispose of hazardous waste in accordance with laws and regulations.</li> </ul>
Reputation Risk	The public has a high level of concern about environmental issues. If the company encounters any environmental compliance problems, it can easily attract public attention and negative public opinion, damaging the company's brand image and potentially triggering further investigations by regulatory authorities.	Short, medium, and long term	Operation downstream	Non-operating expense increases	<ul style="list-style-type: none"> <li>Proactively disclose the company's environmental management policies, goals, measures, and pollutant emissions to the public by publishing annual environmental reports, social responsibility reports, or disclosing relevant information through official websites and other channels, to fulfill the public's right to know and enhance public trust in the company.</li> </ul>

Opportunity Type	Opportunity Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Policy Opportunity	The company can actively seek government special fund support, financial subsidies, and tax incentives for environmental technology renovation and resource utilization projects, reduce environmental management costs, and develop environmentally friendly products and businesses.	Medium term	Operation	Non-operating income increases	<ul style="list-style-type: none"> <li>Actively apply for government subsidies and tax incentives for pollutant reduction projects;</li> <li>Carry out environmental protection projects to obtain technical and financial support.</li> </ul>
Market Opportunity	<p>In the international market, the environmental standards for products are becoming increasingly stringent. The company can strengthen environmental management and improve product environmental quality to break through international green trade barriers and enter a broader international market.</p> <p>With the increasing awareness of environmental protection, the demand for environmentally friendly products and services is continuously rising. The company can leverage its technological advantages to develop environmentally friendly products and services, expanding into new business areas.</p>	Long term	Downstream	Operating income increases	<ul style="list-style-type: none"> <li>Continuously invest in research and development resources to explore and develop more advanced pollutant treatment technologies and energy-saving emission reduction technologies. While improving pollution control levels, these technologies may also be transformed into new business growth points;</li> <li>Establish a good corporate brand image through proactive and effective environmental management, enhance social recognition and reputation, attract more environmentally conscious customers and partners, and create favorable conditions for business development;</li> <li>Actively participate in environmental protection-related industry associations, forums, and other activities to share experiences with peers, discuss new trends in environmental protection technologies and management, seize industry development opportunities, and enhance the company's influence within the industry.</li> </ul>

## ◎ Impacts, Risks And Opportunities

To effectively identify and assess potential risks, the company is committed to establishing a comprehensive and systematic risk and opportunity management process. This initiative aims to analyze the various environmental impacts of the company's operations, ensuring resilience and steady progress in a rapidly evolving market landscape.



## Hazard Identification And Rectification

The company proactively responded to china's national ecological civilization development initiative by organizing responsible personnel from relevant departments to conduct comprehensive environmental hazard identification, establishing a dedicated task force to formulate corrective action plans with defined timelines, and actively implementing all required rectifications.

### Case

#### Elimination Of "Leakage, Spillage And Drip" Hazards

On January 29, 2024, the company conducted a comprehensive inspection of production facilities within the plant area. Regarding the leakage points found at the carbon monoxide recirculating cooling water pool, maintenance personnel first performed external grouting for leak sealing, then entered the pool interior to conduct thorough and meticulous grouting operations. This dual-side remediation approach ensured complete elimination of leakage hazards, guaranteeing safe and stable operation of production facilities.



### Case

#### Enhancement Of Plant Stormwater-sewage Diversion System

From 29 January to 6 February 2024, the company strictly implemented regulatory requirements to upgrade the plant's stormwater-sewage diversion infrastructure by separating rainwater and sewage pipelines, installing identification markers at stormwater outlets and sedimentation basins, conducting daily water sampling at the inflow, mid-section and outflow points of the on-site waterway for ammonia nitrogen analysis, publicly displaying test data at the plant entrance, and systematically maintaining comprehensive data records and archives.



## Emergency Preparedness And Drills

The company strictly complied with the emergency response law of the people's republic of china and the environmental protection law of the people's republic of china by commissioning a qualified third-party agency to develop a contingency plan for environmental emergencies tailored to operational realities, ensuring proper functioning of safety and environmental protocols. To enhance emergency response capabilities for environmental incidents, the company conducted regular professional training and practical drills to continuously strengthen staff crisis management competencies, effectively mitigate various safety risks, and establish robust safeguards for stable corporate development.



Emergency Environment Drill

## ◎ Indicators And Targets

The company established comprehensive environmental management objectives encompassing multidimensional initiatives including reducing waste emissions in production processes and enhancing resource recycling rates, facilitating the synergistic advancement of both environmental and economic benefits while driving long-term sustainable development.

### Environmental Management Target In 2024

- Compliance rate of 100% for treated Production wastewater discharge
- Zero incidents of potential fires
- Zero chemical leakage occurrences
- 100% legal disposal rate for hazardous waste
- Full compliance with noise emission standards
- 100% compliance rate for production exhaust Gas emissions

✓ Achieved

Indicator	Unit	2024
Total amount of environmental protection Investment	10k rmb	759.23
Tax and additional medium environmental Protection tax	10k rmb	0.42

## Wastewater Management

The company adhered to the principles of "stormwater-sewage separation and clean-dirty water segregation" to strengthen inspection and maintenance of wastewater treatment facilities, achieving circular and closed-loop water resource utilization. The company's wastewater discharge outlets were connected to the industrial park's centralized treatment plant, with online monitoring stations installed where detection equipment was linked to environmental regulatory platforms for real-time emissions data transmission. Additionally, qualified third-party contractors were commissioned for regular equipment maintenance, performing quarterly wastewater sampling for comparative analysis with data uploaded to the monitoring network. During the reporting period, the company conducted wastewater testing and issued verification reports confirming compliance with discharge standards, achieving full regulatory compliance.

### Wastewater Treatment

The company has built two high-efficiency wastewater treatment ponds with volumes of 1,932 cubic meters and 2,000 cubic meters respectively, which are used at the same time. During the reporting period, the facilities continued to operate stably. The production waste water is first treated by the regulating tank of the sewage treatment station, and then treated by the advanced complex extraction process, most of it is used for production, and a small amount of it meets the "discharge standard of ferroalloy industrial pollutants (gb28666-2012)" and then enters the sewage treatment plant of the industrial park. Domestic sewage from office areas was treated via a 50-ton/day sedimentation system before being channeled into dayu municipal sewage networks.

#### Wastewater Treatment Measures



Tail gas scrubbing wastewater and floor washwater were treated at the on-site production wastewater pretreatment station.



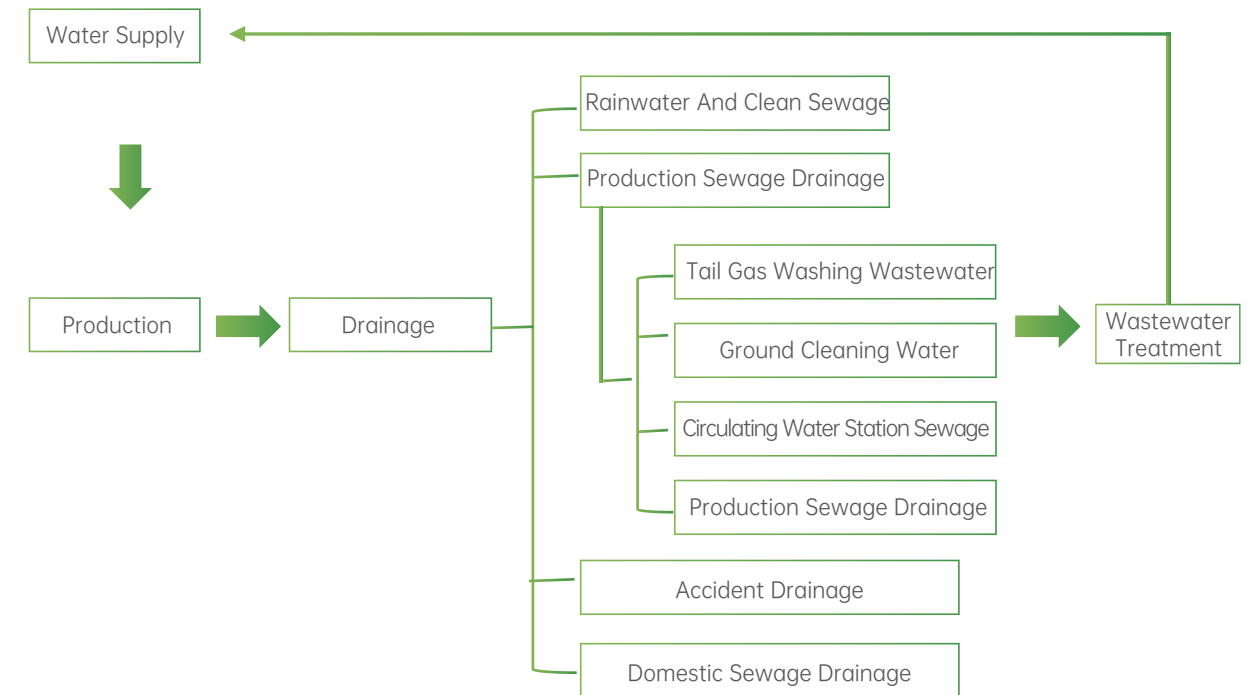
Blowdown water from circulating water stations and steam generators, being clean saline wastewater, was directly discharged to the park's treatment system for reuse.



Accident water (including firefighting drainage) from new installations was collected in emergency basins before being directed to production wastewater pipelines for co-treatment.

### Wastewater Recycling

The company established a partitioned water system comprising production wastewater drainage, domestic sewage drainage, stormwater & clean process water drainage, and emergency drainage systems. This integrated framework covered three critical phases - water supply, drainage, and wastewater treatment - enabling inter-factory water recovery and reuse, with approximately 80% of water usage achieving closed-loop recycling from production to reprocessing during the reporting period.



#### Wastewater Recycling Process

#### Wastewater Discharge During The Reporting Period

Chemical Oxygen Demand (COD)	0.44tons
Ammonia Nitrogen (NH <sub>3</sub> -N)	0.22tons
Ph Level	6-9
Wastewater Discharge Volume	92,156tons
Wastewater Discharge Intensity	2.21Ton/10k Rmb Revenue



## Waste Gas Management

The company strictly complied with the environmental protection law of the people's republic of china and the air pollution prevention and control law of the people's republic of china, implementing real-time monitoring based on production conditions to ensure exhaust emissions remained under control. The industrial exhaust primarily included melting fumes, vacuum extraction exhaust, atomized dust, and screening dust generated during production in the gas atomization workshop.

### Waste Gas Treatment

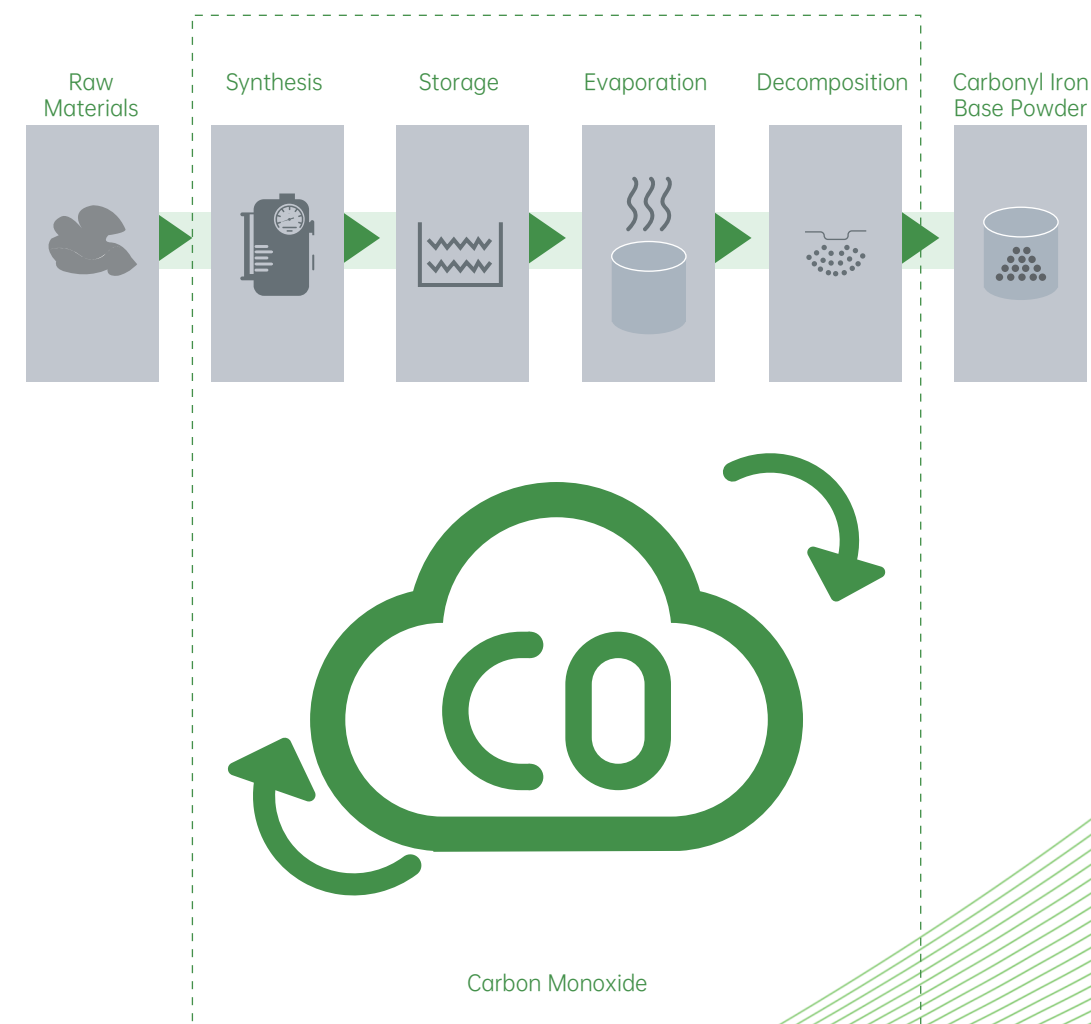
The company adhered to the emission standard of pollutants for ferroalloy industry (gb 28666-2012). A dust collection system installed above the melting furnace maintained slight negative pressure to centrally capture smoke and dust. Metal dust was channeled through pipelines to bag filter ta001 for treatment, with compliant emissions released through exhaust stacks after purification. Residual uncollected exhaust was emitted as fugitive emissions. During the reporting period, exhaust gas testing was conducted and verified through issued reports, confirming zero exceedance incidents.

#### Case

#### Introduction To Carbon Monoxide Recycling Process

In the production process of carbonyl iron powder, carbon monoxide gas first reacts with raw materials in the synthesis stage to produce intermediate products, which are stored and evaporated to decompose into carbonyl iron base powder and release carbon monoxide gas. The carbon monoxide released in the decomposition process and the carbon monoxide not fully reacted during the synthesis process can be recycled to react with new raw materials again. This cycle mechanism not only improves the utilization rate of carbon monoxide, but also reduces production costs and pollution emissions.

## Production Process Of Carbonyl Iron Powder



## Waste Disposal

The company classified waste materials into non-hazardous waste and hazardous waste based on their properties. Non-hazardous waste primarily included iron oxide residue from synthesis reactors, dewatered sludge cakes, and slurry from wastewater pretreatment stations. Hazardous waste mainly consisted of waste engine oil and similar materials. Adhering to the principles of reduction, resource recovery, and harmless treatment, the company prioritized comprehensive utilization of solid waste while implementing strict classification, storage, and management for all generated solid and hazardous waste.

Type	Treatment Method
Non-hazardous Waste	Managed using the 3r (reduce, reuse, recycle) strategy. Recyclable waste, such as waste iron slag, is recovered and reused.
Hazardous Waste	Governed by the hazardous waste transfer manifest and hazardous waste management plan to regulate the transfer process. Compliance with national laws and regulations is strictly enforced.

Indicators	Unit	2024
Total Non-hazardous Waste Generated	Tons	2,712.97
Non-hazardous Waste Disposed	Tons	2,712.97
Non-hazardous Waste Intensity	Tons/ 10k Rmb Revenue	0.06
Total Hazardous Waste Generated	Tons	45.28
Hazardous Waste Disposed	Tons	45.28
Hazardous Waste Intensity	Tons/ 10k Rmb Revenue	0.001

## Noise Management

The company's primary noise sources originated from machinery and aerodynamic systems. To mitigate environmental impact, the company implemented effective measures including optimized facility layout, adjusted process parameters, installation of low-noise equipment, and construction of soundproof rooms and barriers. During the reporting period, third-party testing agencies conducted noise monitoring and issued compliance reports confirming all measurements satisfied the latest emission standards.

## Resource Efficiency

In strict compliance with the Energy Conservation Law of the People's Republic of China and the Water Law of the People's Republic of China, the Company enhanced recycling initiatives for coke, and water - its primary operational resources - to reduce resource costs.

## Energy Utilization

The company actively implemented green development principles by establishing the energy statistics management system and energy measurement data collection & analysis regulations, creating an efficient, clean, and sustainable energy framework. Through refined management, energy efficiency was significantly improved. During the reporting period, the company obtained iso 50001 energy management system certification.

### Energy Management Targets for 2024

- Reduce energy intensity by **30%** by 2030



Energy Management System Certification

The Company actively implemented the national "Dual Carbon" goals, adhering to the principles of a circular economy and unwaveringly pursuing a green and sustainable development path. As of the end of the reporting period, the Company had invested in two photovoltaic power generation projects, operating under a "self-generation for self-use, surplus electricity fed into the grid" model. This enabled the efficient operation of rooftop solar power stations, with an annual total power generation of 1.213 million kwh, significantly meeting the Company's electricity needs for production and operations while optimizing its energy structure. Additionally, the Company actively adopted energy-saving measures, such as gradually replacing fuel-powered forklifts with electric forklifts, effectively reducing energy consumption.



Indicator	Unit	2024 Actual Usage
Total Direct Energy Consumption	Tons Of Standard Coal	66.10
Total Indirect Energy Consumption	Tons Of Standard Coal	6,339.09
Purchased Electricity	Kwh	50,732,153.00
Total Energy Consumption	Tons Of Standard Coal	6,405.19
Energy Intensity	Tons Of Standard Coal / 10k Rmb Revenue	0.15

## Water Resource Utilization

The company primarily sources its water supply from municipal procurement. During the reporting period, the company actively implemented the water conservation management system, adhered to the philosophy of water conservation, optimized production processes to achieve recycled water utilization, and significantly improved water resource utilization efficiency, thereby maximizing water conservation.

### 2024 Water Resource Utilization Target

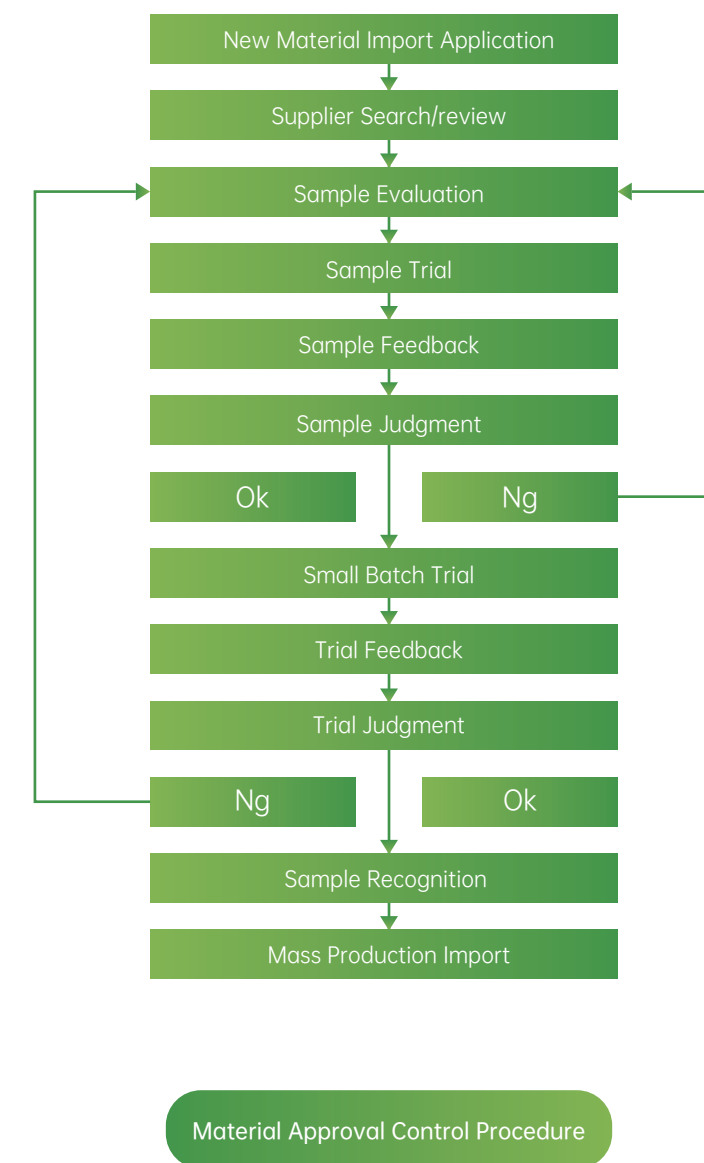
- Achieve a **40%** reduction in water use intensity by 2030.

Indicators	Unit	2024
Total Water Consumption	Tons	408,192
Water Use Intensity	Tons/10k Rmb Revenue	9.77

## Material Utilization

The Company established the "Material Approval Control Procedure", "Management System for Oil, Reusable Barrels, Pallets, and Packaging Barrels", and "Warehouse Management System" to build a comprehensive material utilization control system covering the entire process from material sourcing to warehouse management. This framework ensured the effective implementation of material utilization efforts.

For new materials, the Company required a Material Approval Control Procedure meeting, after which the R&D department set up a new material trial team. This team conducted comprehensive testing and evaluation of samples in strict accordance with standard procedures to ensure that new materials met production requirements.





## ◎ Green Office

The company placed great importance on green office practices, considering them a key part of its sustainable development strategy. It actively implemented energy-saving and emission-reduction measures, promoted resource recycling, and reduced operational costs. By minimizing environmental impact, the company strived to create a low-carbon, eco-friendly, and sustainable office environment.

### Measures For Green Office



#### Electricity Conservation

- Installed solar-powered streetlights in the company premises.
- Replaced traditional bulbs with energy-saving led lights across departments.
- Upgraded to low-energy consumption air conditioners.



#### Energy Conservation

- Replaced diesel boilers with electric heating boilers.
- Provided company shuttle buses to transport employees during commuting hours, reducing gasoline consumption.
- Encouraged employees to switch to new energy vehicles and electric motorcycles to lower carbon emissions.



#### Water Conservation

- Placed water-saving reminders on faucets to promote awareness.



Electricity Conservation



Water Conservation

## ◎ Environmental Protection Initiatives

To further maintain a green and ecological environment and enhance employees' awareness and responsibility towards environmental protection, the company actively responded to the national call for ecological civilization construction. It organized tree planting and afforestation activities to improve the surrounding natural ecology. The company embraces green, low-carbon, and sustainable environmental concepts, working together to contribute to the creation of a beautiful homeland.





# Quality As The Foundation, R&d Driving New Horizons

# 04

## SDGs In This Chapter



## Achievements In 2024

- R&d Investment: **23.4171** Million Yuan
- The Cumulative Number Of Granted Patents Has Reached **37**
- The cumulative number of registered trademarks has reached **10**

## Key ESG Issues In This Chapter

- Innovation Drive
- Product And Service Safety And Quality
- Data Security And Customer Privacy Protection
- Supply Chain Security

# YUEAN





## Innovation Leading The Future

Since its establishment, the company has consistently adhered to independent innovation. Leveraging significant r&d advantages, the company maintained a leading position in china's new materials sector. Guided by the law of the people's republic of china on scientific and technological progress and relevant industry policies, it steadfastly advanced technological research and development, continuously driving innovation and upgrading of products and technologies. These efforts injected strong momentum into the company's sustainable development while contributing to industry progress.

### ◉ Governance

The company formulated and implemented a series of r&d management systems, including the r&d project management regulations, new product development management regulations, and new product design and development process management regulations, standardizing r&d processes and enhancing efficiency. Additionally, the company established a technology center responsible for comprehensive planning and oversight of technology r&d, product development, process improvements, innovation management, and external collaborations, ensuring stable r&d operations and providing robust support for sustained innovation and growth.

### Team Management

The company placed high importance on r&d team development, actively recruiting high-end technical talent. By enacting the scientific and technological achievement reward measures, which included project evaluations and rewards for authorized invention patents, the company motivated r&d personnel to innovate and explore, contributing to technological advancement and product upgrades. During the reporting period, project bonuses totaling 280,000 yuan were awarded.

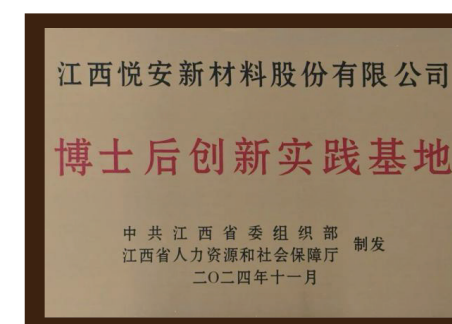
#### Key Performance

R&D personnel: **71** (including **9** master's degree holders)



## Research Platforms

With technological innovation as its core competitiveness, the Company has been honored with national titles including the "National Manufacturing Single Champion" and "Specialized, Sophisticated, Distinctive, and Innovative (SSDI) SME". It has established a national-level postdoctoral research workstation approved by the Ministry of Human Resources and Social Security, a provincial-level enterprise technology center, a provincial-level Carbonyl Metal Powder Materials Engineering Research Center, and the Jiangxi Provincial Overseas Talent Workstation. Additionally, the Company has obtained the high-tech enterprise certification and been granted the Jiangxi Provincial Postdoctoral Innovation Practice Base and the Dayu County New Energy and New Materials Pilot Base. Leveraging these platforms and recognitions, the Company will continue to deepen technological innovation, striving to become a technical leader and innovation benchmark in the industry.



Postdoctoral Innovation Practice Base



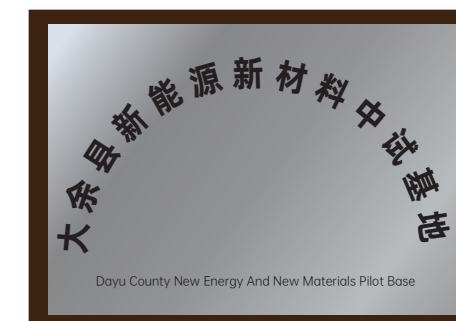
Carbonyl Metal Powder Materials Engineering Research Center



High-tech Enterprise



Provincial Enterprise Technology Center



Dayu County New Energy And New Materials Pilot Test Base



## ◎ Strategy

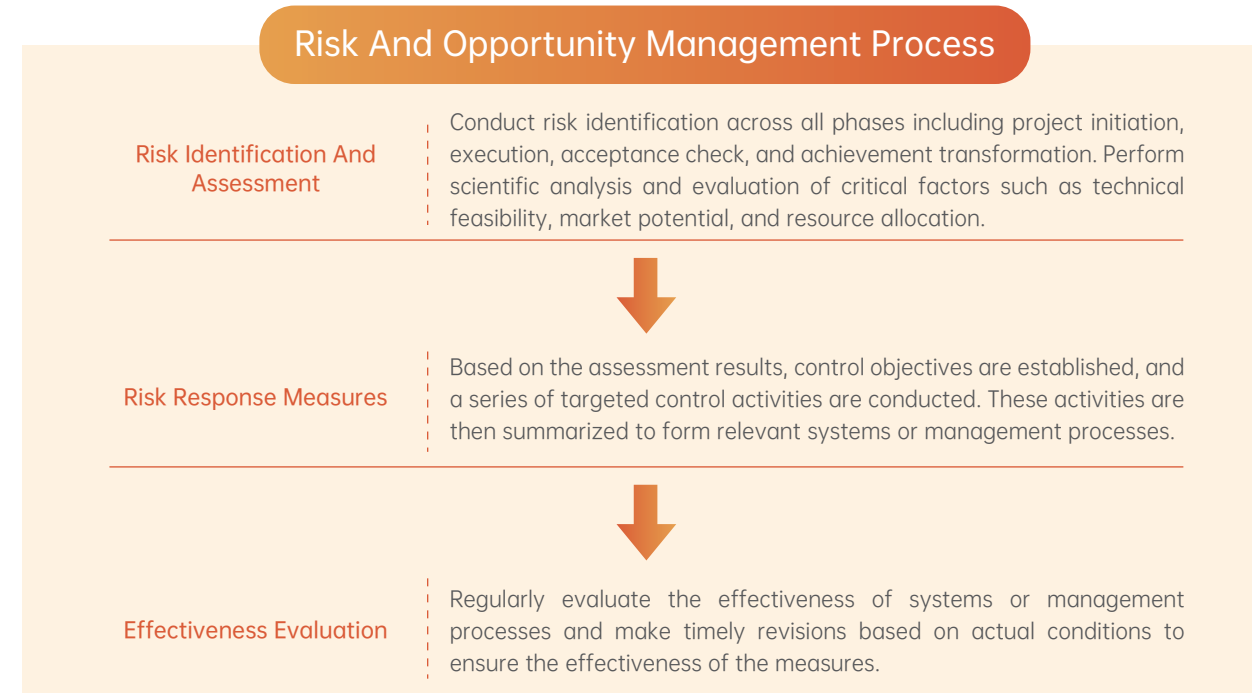
Risk Type	Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Technical Innovation Risks	<p>Research projects lacking scientific validation or comprehensive evaluation may result in insufficient innovation or resource wastage.</p> <p>Failure to effectively identify and protect intellectual property could restrict the utilization of newly developed technologies or products.</p>	Medium term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>The company formulates r&amp;d plans based on corporate strategy, market conditions, and technological capabilities. A robust project initiation and approval system (e.g., Scientific research project management regulations) ensures feasibility through staged evaluations—including project establishment, feasibility assessment, and multi-level approvals—before finalizing research proposals. All projects require executive-level authorization to guarantee strategic alignment;</li> <li>Concurrent intellectual property reviews secure ownership rights through documented ip portfolios.</li> </ul>
Personnel Risks	Improper allocation of r&d personnel, absence of managerial incentive mechanisms for core researchers, and poor oversight of r&d processes may lead to excessive costs, malpractice, or leakage of technical secrets.	Long term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Enhanced oversight of research workflows and incentive mechanisms protects outcomes via- patent/non-patent technology safeguards, confidential data management (blueprints, algorithms, research materials), specialized staffing with clear accountability frameworks. This ensures efficient and controlled r&amp;d operations.</li> </ul>
Commercialization Risks	<p>Inadequate application of research outcomes and insufficient protection measures may compromise corporate interests.</p> <p>Technical incompetence, limited capabilities, or lack of independence among inspectors could cause discrepancies between acceptance results and actual achievements. Insufficient investment in testing and evaluation may fail to mitigate technological failure risks effectively.</p>	Long term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Strengthen the development of research outcomes, forming an integrated mechanism for independent innovation that combines research, production, and market, to promote the transformation of research results;</li> <li>Establish and improve the research outcome acceptance system, organizing professionals to conduct independent reviews and acceptance of the research outcomes;</li> </ul>

Process Risks	Weaknesses in r&d process controls—such as irregular or inaccurate documentation, delayed archiving, and unclear management responsibilities—may cause administrative chaos, wasting r&d resources and jeopardizing project timelines and outcomes. Additionally, the absence of detailed fund utilization records and incomplete expenditure tracking could trigger budget overruns and escalate costs.	Long term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Establish a research and development project process management system, adopting strict information recording requirements, analyzing experimental results, discussing process issues, proposing solutions, and accurately recording information. At the same time, establish a technical documentation management system, specifying the scope of archived materials and responsible departments, to fully utilize the role of r&amp;d documentation.</li> </ul>
Outsourcing Risks	Poorly managed outsourcing workflows may hinder leveraging external expertise, increasing r&d expenses, reducing efficiency, and undermining core competitiveness.	Short and medium term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Establish a reasonable and applicable outsourcing process management system, organize and implement effective outsourcing operations, conduct credit investigations on contractors, and thoroughly assess the feasibility of outsourcing projects.</li> </ul>

Opportunity Type	Opportunity Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Reputation Opportunity	The rapid evolution of the new materials sector, coupled with heightened national policy support for high-tech industries, has intensified competition for specialized talent.	Short and medium term	Operation	Operational cost decreases	<ul style="list-style-type: none"> <li>The company established a new r&amp;d center and production facility in ganzhou's urban area. To attract top-tier technical talent, competitive compensation packages, optimized working environments, and clear career progression pathways were implemented. Enhanced employee incentive mechanisms align individual growth with corporate objectives to boost engagement and innovation capacity;</li> <li>Corporate culture and hr policies were refined to increase job satisfaction and build a highly cohesive workforce.</li> </ul>

## ◎ Impact, Risk, And Opportunity Management

To ensure the stable operation of research and development activities and effectively mitigate potential risks in technology, market, and management, the company has established a comprehensive risk management process. This process aims to provide solid support for the smooth progress of R&D projects through scientific risk identification, assessment, and response.



## ◎ Indicators Targets

The company adhered to a market-demand-driven approach, clearly defined research and development goals, and focused on technological innovation and application breakthroughs in the field of new materials. It aimed to develop high-performance, environmentally friendly new material products to meet market demand for high-quality materials while driving technological upgrades within the industry.

### Research And Development Objectives

- New product development conversion rate greater than 60%, with an annual completion rate of 112%.

Note: New Product Development Conversion Rate = (Actual Sales Amount of New Products / Planned Sales Amount for the Period) \* 100%

Indicator	Unit	2024
Amount of R&D investment	10k Rmb	2,341.71

## ◎ Industry-academia-research Cooperation

Based on the cooperation principle of "complementary advantages and resource sharing", the company has established long-term industry-university-research cooperation with Ganjiang Innovation Research Institute of Chinese Academy of Sciences, Tsinghua University, South China University of Technology, Jiangxi University of Science and Technology and many other research institutions and universities, and jointly undertake and complete the National Science and Technology Innovation Fund for small and medium-sized enterprises, the National Special Fund for the Development of Small and Medium-sized Enterprises and other scientific research projects. During the reporting period, multiple collaborations were initiated, accelerating the integration of independent innovation with industry-academia-research efforts.

Partner Institution	Project Title	Project Content
University Of Science And Technology Beijing	Optimization study on combined gas-water atomization process for Fe-based spherical amorphous magnetic powder	To address issues such as the poor performance stability and immature preparation process of high-quality rare earth-based amorphous alloy magnetic powders, a multi-physics field and multi-scale analytical model for the gas-water atomization process is established to design the atomization process and equipment. Based on pre-experiments with single variable processes, the key parameters for the preparation of high-performance amorphous powders are identified, and industrial gas-water atomization equipment is developed. Research on the modification and composition control of rare earth Fe-based amorphous alloys is conducted, designing a composition system with both high amorphous formation capability and excellent soft magnetic properties.
	Development of water and gas atomization process and equipment for Fe-based ultrafine powder	The process and equipment for water atomization of FeSiCr ultrafine powder and gas atomization of FeNi50 ultrafine powder are developed.
Ganjiang Innovation Institute Of The Chinese Academy Of Sciences	Research and industrialization of high performance microwave absorbing materials for national defense	The research and development not only meet the characteristics of "thin, light, wide, and strong," but also satisfy higher requirements for new magnetic loss-type microwave-absorbing materials, such as multi-spectrum capability, high-temperature resistance, marine corrosion resistance, and radiation resistance.
	Atomization preparation technology and engineering applications of high-performance micro-nano powders (typical demonstration applications)	The research addresses scientific issues such as the role of rare earth elements in deep deoxidation and inclusion decomposition during the atomization powder-making process, meeting the high requirements for temperature resistance, mechanical properties, and wave absorption of key components in aerospace, energy, and power sectors.



## Technological Innovation Achievements

The Company consistently adhered to independent innovation and continuously tackled technical challenges, mastering several core technologies related to the preparation and application of micro-nano metallic powder materials. As of the end of the reporting period, the company has accumulated a total of 37 authorized patents, including 23 domestic invention patents, 2 overseas PCT invention patents, and 12 utility model patents.

### Case

#### National Invention Patent Authorization

During the reporting period, Ningxia YueAn's "A method for carbonyl iron powder and titanium slag production of sand ilmenite by carbonyl processing" was authorized by the national invention patent, which opened up a new technical route and can use ilmenite as raw materials to achieve efficient production of carbonyl iron powder and titanium slag, successfully breaking through the bottleneck of industrial production, representing a major technological innovation in the field. This breakthrough not only reflects the company's innovative ability in the material preparation process, but also provides a new technological development direction for the entire industry, further consolidating the company's leading position in the field of metal powder materials.



## Standardization Leadership

The Company has always been committed to promoting the standardization and standardization of the industry, and actively participates in the formulation of industry standards. As the main drafting unit, the company has led the formulation of 11 national and industry standards such as "micron grade carbonyl iron powder". Through deep participation in the formulation of standards, it not only enhances the brand influence of the Company, but also contributes to the standardization and high-quality development of the entire industry. During the reporting period, the Company participated in the development of a total of 4 national standards:

Name	Grade	Progress
Gb/t 21510-2024 "Test Methods And Evaluation For Antibacterial Performance Of Nanometer Inorganic Materials"	National Standard	Released And Implemented Released On July 24, 2024, And Implemented On February 1, 2025
Gb/t 21220-2024 "Soft Magnetic Metal Materials"	National Standard	Released And Implemented Released On September 29, 2024, And Implemented On April 1, 2025
Gb/t 44655-2024 "Amorphous Soft Magnetic Alloy Powders"	National Standard	Released And Implemented Released On September 29, 2024, And Implemented On April 1, 2025
Gb/z 43890-2024 "Nanotechnologies—guidelines For Performance Test Method Of Silver Nanomaterials"	National Standard	Released And Implemented Released On July 24, 2024, And Implemented On Feburary 1, 2025

## Advancing New Quality Productive Forces

The Company has pursued quality and efficiency improvements as key development objectives, actively deploying New Quality Productive Forces through technological innovation and industrial upgrading to drive high-quality growth. By implementing the Carbonyl Iron Powder Series Products Project and Metal Soft Magnetic Micro-Nano Powder Project, the Company has enhanced its core competitiveness in advanced materials while providing robust support for operationalizing New Quality Productive Forces.

### Case

#### Metal Soft Magnetic Micro-nano Powder Demonstration Production Line Project

On March 26, 2024, Ningxia YueAn construction project commenced foundation work at the Ningdong Energy Chemical Industry Base, marking a significant step in the Company's high-quality development strategy.

The project leveraged the core team's years of process experience, adopted the latest raw material preparation technologies, and combined the cost advantages of the base to reduce the cost of carbonyl iron powder. At the same time, high-value metal by-products helped expand business scale, enhanced the Company's competitiveness in the international market, and provided new momentum for the implementation of new production capacities.



## Industry Exchange

The Company has always actively participated in industry exchanges and cooperation, committed to promoting innovative development in the new materials field. By attending various domestic and international industry summits, technical forums, and exhibitions, the Company showcased its technical strength and innovative achievements, strengthened communication within the industry, and contributed to the overall industry development.

### Case

#### 16th China International Powder Metallurgy And Hard Alloy Exhibition

On March 8, 2024, the 16th China International Powder Metallurgy and Hard Alloy Exhibition in Shanghai concluded successfully after three days.

During the exhibition, the Company showcased a range of products that can be widely applied across various industries, attracting the attention of many domestic and international customers. This event highlighted the Company's outstanding research and development capabilities and technical strength in the metallurgical powder field, earning high recognition and praise from the industry.



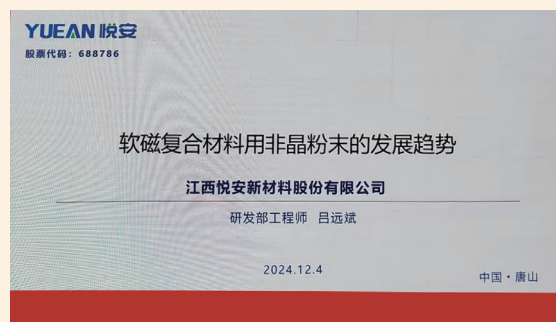


## Case

## 4th Amorphous Alloy Powder Application And Development Forum

On December 4, 2024, the 4th Amorphous Alloy Powder Application and Development Forum was held in Tangshan, Hebei. The forum focused on the latest research findings, new processes, and market expansion strategies in the field of amorphous alloy powder.

An engineer from the company's R&D department delivered an insightful presentation on the development trends of amorphous powders for soft magnetic composite materials. The presentation showcased the achievements of the company's R&D team in the preparation of high-performance amorphous powders. The engineer shared insights on how to further reduce magnetic loss, improve the compressibility and moldability of amorphous powders, and enhance the overall performance of amorphous alloy powders, all while maintaining excellent sphericity and saturation characteristics. This presentation provided new perspectives for amorphous powder preparation.



## Governance

To comprehensively improve product quality management and enhance customer satisfaction, the Company developed and implemented the Quality Manual during the reporting period. This manual follows the principles of "Quality First, Full Participation, Focus on Process, Customer Satisfaction," with the Quality Inspection Department overseeing related tasks. The Company meticulously implements quality control details and conducts assessments to ensure steady improvements in product quality, consistently providing customers with high-quality products and services.

The Company has established a quality management system and obtained relevant certifications, with its products receiving industry-leading certifications, including IATF16949:2016.

### Main Responsibilities Of The Quality Inspection Department

- Develop and manage quality documents, implement policies and objectives, conduct performance assessments, and maintain the quality system.
- Establish quality management mechanisms, organize activities, manage plans and objectives, monitor management processes, and implement improvements.
- Responsible for inspection and release control, inspecting raw and auxiliary materials, products, and processes, and controlling product release for shipment.
- Handle quality incidents and anomalies, implement corrective actions, control risks and opportunities, and perform identification and evaluation.

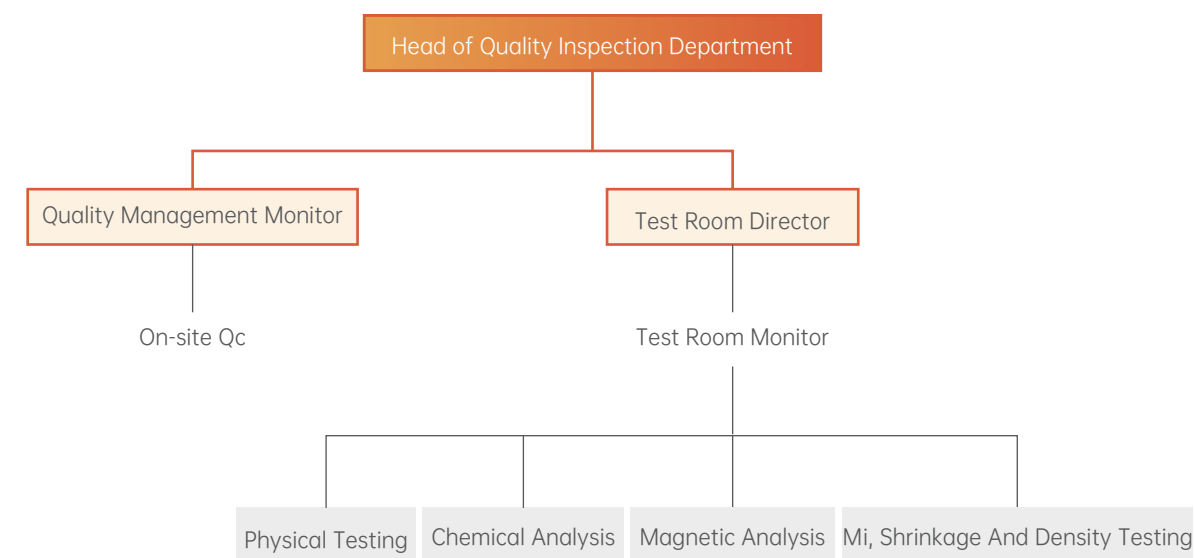
## Intellectual Property Management

To enhance intellectual property (IP) protection, the Company has developed the Intellectual Property Management Manual, which designates the General Manager as the first responsible person for formulating IP policies and goals. The IP office serves as the core management department, coordinating various IP management affairs. Dedicated personnel are assigned to key areas such as patents, trademarks, and copyrights, forming a comprehensive, multi-level intellectual property protection system.

In addition, the Company regularly organizes relevant training activities to increase employees' awareness and importance of intellectual property, further strengthening the Company's intellectual property management system.

## Product Quality Assurance

The Company strictly adheres to relevant laws and regulations, such as the Product Quality Law of the People's Republic of China, and continuously enhances its quality management system to improve management standards. By implementing stringent quality control standards and inspection processes, the Company ensures that every link meets high-quality requirements, thereby guaranteeing excellent product quality and earning widespread customer trust. During the reporting period, the Company did not experience any major quality safety incidents or large-scale quality safety complaints.



Quality Management Structure



YueAn  
IATF16949:2016



YueAn  
GB/T 19001-2016/ISO 9001:2015



Ganzhou Yuelong  
GB/T 19001-2016/ISO 9001:2015

Meanwhile, the company is committed to enhancing the awareness and capabilities of the quality management team. By implementing regular quality education and training, it continuously improves the professional skills and comprehensive qualities of relevant personnel, providing a guarantee for product quality.

Case

Key Process Training Series

In March 2024, the Company organized a series of training activities focusing on the key process of the mixing stage, aiming to enhance product quality and production efficiency. The training covered the preparation work for mixing, the standardized operation of mixing and packaging techniques, as well as important precautions. Assessments were conducted to ensure that each employee could master the key skills proficiently.

Key Performance

4 quality training sessions, with 150 participants and a total duration of 300 hours.

Strategy

Risk Type	Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Market Risk	Given existing facility constraints and equipment saturation, simply increasing production capacity can no longer meet market demand. Shifts in product mix introduce operational risks to the company's manufacturing processes.	Medium term	Downstream	Operating income decreases	<ul style="list-style-type: none"><li>Expand the company's production scale according to the strategic plan and introduce new equipment;</li><li>Develop the potential of existing equipment.</li></ul>
Decision Risk	Inadequate frontline data collection during decision-making has led to misalignment between strategic plans and actual implementation. Significant changes in foundational assumptions have rendered certain strategic initiatives unfeasible. Additionally, insufficient internal execution capabilities pose ongoing operational risks.	Medium term	Operation	Operating cost increases	<ul style="list-style-type: none"><li>Align the strategic plan with the company's actual situation and develop a feasible business plan;</li><li>Each department must strictly follow the company's management system requirements for daily operations. Any non-compliance should be addressed promptly, avoiding procrastination and lax handling;</li><li>Strengthen the assessment of the management execution ability of department heads.</li></ul>
Planning Risk	The planning control system contains omitted requirements and fails to incorporate timely updates during system modifications. Risk identification remains incomplete, while formulated countermeasures lack effective implementation.	Short term	Operation	Operating cost increases	<ul style="list-style-type: none"><li>During system planning, all product requirements, including those proposed by customers, implicit legal regulations, or industry-specific requirements, must be identified;</li><li>Establish a team for risk identification and evaluate each process;</li><li>Measures for each plan must undergo continuous discussion and confirmation, with final improvement actions determined to ensure effective implementation.</li></ul>

Opportunity Type	Opportunity Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Technology Opportunity	The automation production line will effectively reduce the impact of human error on product quality, and the company's demand for fully automated production lines is becoming increasingly urgent.	Medium and long term	Operation	Operational cost decreases	<ul style="list-style-type: none"> <li>By introducing new technologies and equipment, the company continuously improves its automation level.</li> </ul>
Market Opportunity	Adjusting the product structure and developing new products will bring new development opportunities for the company.	Medium and long term	Downstream	Operating income increases	<ul style="list-style-type: none"> <li>Expand the company's production scale according to the strategic plan and introduce new equipment;</li> <li>Develop the potential of existing equipment.</li> </ul>

## Indicators And Targets

The company advocates a "quality first, integrity-based" philosophy, emphasizing continuous improvement to ensure effective operation of the quality management system and guaranteed customer satisfaction. By thoroughly implementing a "zero defect" mindset, we have established clear quality objectives and implemented multi-tiered performance evaluations (monthly/quarterly/semi-annual) aligned with departmental responsibilities. This ensures systematic decomposition and execution of quality targets across all organizational levels, providing comprehensive assurance for goal attainment.

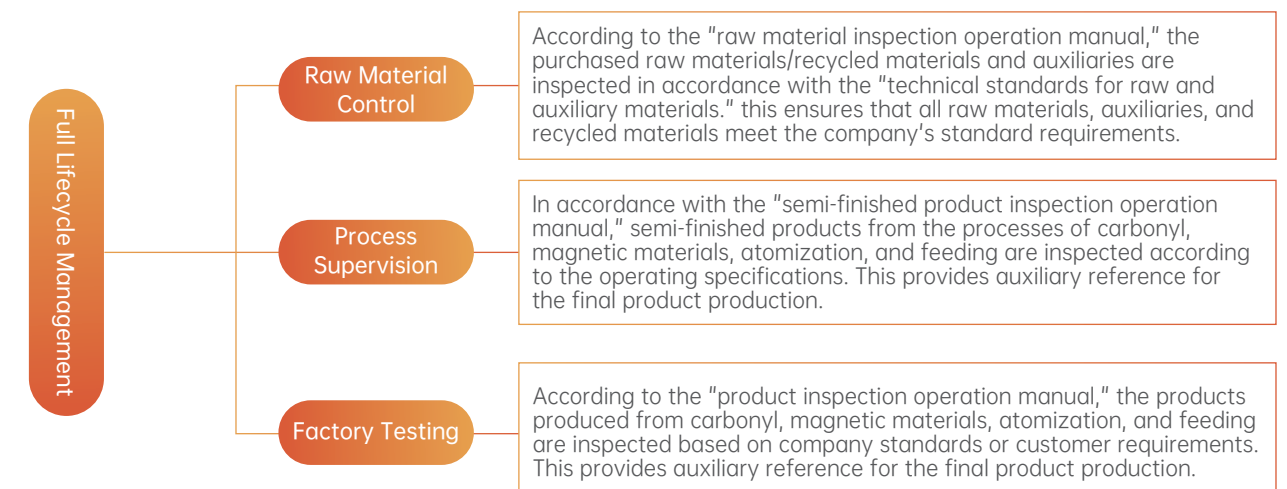
### 2024 Targets

- First-pass Yield Rate >96%--achieved
- Customer Satisfaction With Products And Services >95%--achieved

Indicators	Unit	2024
Product Qualification Rate	%	100
Annual Quality Internal Audit	Times	1
Third-party Sampling Inspection	Times	2

## Quality Management Measures

The Company has always emphasized process management, implementing rigorous monitoring for every step of product production. The strategy follows the principle of "prevention before the event, control during the process, and verification after the event." The Company has formulated management guidelines such as the Raw Material Inspection Work Instructions, Semi-Finished Product Inspection Work Instructions, and Product Inspection Work Instructions, achieving comprehensive quality control from the source to the finished product. Additionally, the Company promotes green inspection practices, fostering a harmonious balance between environmental protection and quality, thereby enhancing the company's influence in the industry.



## Impact, Risk And Opportunity Management

The company has established the "Risk and Opportunity Control Procedure," which defines the responsibilities and authorities of the quality inspection department in risk and opportunity management. It evaluates severity, risk frequency, and risk coefficient in accordance with risk management review requirements, to comprehensively control risks and seize opportunities.

### Risk and Opportunity Management Process

Risk And Opportunity Identification	All departments shall identify risks related to personnel, equipment, materials, methods, and environment (man-machine-material-method-environment, 4m1e), and document them in the "risk and opportunity assessment worksheet".
Risk And Opportunity Assessment	The assessment team classifies risks according to established evaluation criteria—including severity grading standards, occurrence frequency benchmarks, and acceptability thresholds—and subsequently updates the "risk and opportunity assessment matrix" with comprehensive analysis.
Risk Mitigation Strategies	Based on the evaluation results, mitigation measures shall be formulated and recorded in the "risk and opportunity review report".
Measures Improvement	Verify the effectiveness of measures under actual operating conditions and conduct periodic reviews and improvements.



## Hazardous Substance Detection

The Company has established the "Hazardous Substance Management System," aimed at comprehensively monitoring various hazardous substances that may be involved in the production process, ensuring the safety of the production environment and the quality of finished products. To achieve this, the Company regularly conducts relevant tests and generates inspection reports. As of the end of the reporting period, the candidate list of Substances of Very High Concern (SVHC) has been updated and expanded to over 240 items, demonstrating the Company's strong commitment to environmental protection and health.



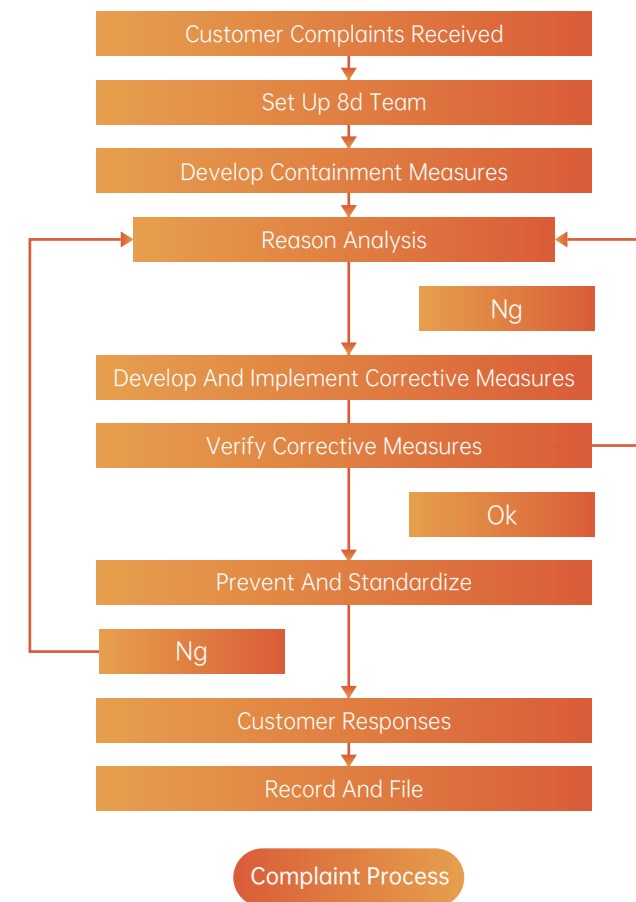
Monitoring Report

## Customer Rights Protection

The Company adheres to the principle of "customer-centered" service and has established the "Customer Credit Management System" and "Process Control System Related to Customers" to standardize service processes and improve service quality. The Marketing Department, as the coordinating management unit, follows the system's requirements, from customer demand analysis to post-sale tracking and feedback, forming a closed-loop management system. At the same time, the Company conducts regular training to continuously improve the team's professional capabilities and service awareness, ensuring that customers receive efficient, accurate, and attentive service, and continually enhancing customer satisfaction.

## Complaint Management

To address customer needs and feedback, the Company has established the "Process Control System Related to Customers," which clearly defines the entire process from complaint reception, issue analysis, solution development, to follow-up and feedback. This ensures that each stage is handled by the responsible person and executed efficiently. Additionally, the Company conducts periodic customer complaint response assessments to continuously improve service quality and enhance customer trust.



### Key Performance

Response to customer complaints assessment times **2** times  
The passing rate of customer complaint response assessment is **100%**

## Customer Satisfaction

The Company upholds the principle of "customer-centricity" and has established the "Customer Satisfaction Measurement Procedure." Every year, the Company conducts a regular customer satisfaction survey, utilizing questionnaires and data analysis to comprehensively understand customer experiences and feedback on products and services. Additionally, through market research, the Company analyzes and predict current and future customer needs, identifies customer expectations and pain points, and formulates improvement plans to ensure greater value for customers.

### Key Performance

Number of customers participating in the survey: **77**  
Overall customer satisfaction score: **98.82** points

## Responsible Supply Chain

The Company strictly adheres to relevant laws and regulations, such as the Bidding and Tendering Law of the People's Republic of China, in procurement and supplier selection processes to ensure transparency, fairness, and justice. The Company has established a comprehensive supplier management system, standardizing procurement practices to reduce risks and enhance the stability and competitiveness of the supply chain, providing a solid foundation for the Company's high-quality development.

### ◉ Governance

To ensure the stable operation of the supply chain system, the Company has developed the Procurement Business Process and designated the Procurement Department as the responsible management body to ensure the effective implementation of the system. At the same time, the Company places great importance on the training and development of the procurement team. Through a series of professional training programs, the Company comprehensively enhances the professional skills and ethical standards of procurement personnel, laying a solid and stable talent foundation for building a healthy, efficient, and sustainable supply chain ecosystem.

#### Procurement Department Responsibilities

- Oversee the provision of materials, spare parts, and other supplies by guiding, supervising, inspecting, and supporting the Company's material supply and warehousing operations.
- Formulate and update detailed regulations for managing the supply of materials and spare parts.
- Administer the qualification, selection, evaluation, and ongoing maintenance of suppliers for centrally procured materials and equipment.
- Establish a procurement price database and conduct regular market analyses on supply-demand trends and pricing for critical materials.
- Execute the purchasing and supply of company-designated materials and equipment.
- Direct the collection, organization, and analysis of market data, along with procurement statistics, to build a robust supplier network.
- Manage the coordination of raw material transportation, quality inspections, and dispute resolution.



### ◉ Strategy

Risk Type	Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Supplier Selection And Management	May result in substandard materials, inflated pricing, inadequate supply qualifications, fraudulent practices, or even corrupt activities.	Short term	Upstream And Downstream	Operational cost increases	<ul style="list-style-type: none"> <li>● Establish a scientific supplier evaluation system;</li> <li>● The procurement department should evaluate and select suppliers according to the principles of fairness, justice, and competition, following the procurement procedures to determine a qualified supplier list, and choose suppliers with the necessary qualifications for procurement;</li> <li>● Sign quality assurance agreements with suppliers;</li> <li>● Conduct annual audits in accordance with procedural requirements.</li> </ul>
	Delayed deliveries or non-compliant quality disrupt production schedules and product performance, leading to missed deadlines/requirements. Unexpected price hikes increase costs. Insufficient continuous supply capacity and unresolved quality issues further exacerbate risks.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>● Strictly review the qualifications, production, and quality assurance capabilities of suppliers during the initial supplier introduction phase;</li> <li>● Track the supplier's on-time delivery rate and product acceptance rate;</li> <li>● Regularly assess suppliers, using the results as the basis for future procurement actions, implementing a "survival of the fittest" approach.</li> </ul>
Material Procurement Process	May cause stockouts, overstocking, or increased procurement costs. Incorrect order verification or unclear/erroneous specifications result in materials failing to meet production demands for timelines, quantities, or quality.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>● Strengthen the independent inspection work of purchasers, carefully verify the purchase quantity before issuing the purchase and sales contract, and clearly specify and confirm the required specifications.</li> </ul>

Risk Type	Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Material Procurement Process	Ineffective contract terms may disrupt procurement flows. Unauthorized external procurement agreements, contracts with unqualified/incapable parties, or those containing major omissions/raud may compromise the company's legal rights.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Based on the selected supplier, procurement method, procurement price, and other factors, draft the procurement contract, accurately describe the contract terms, clearly define the rights, obligations, and liabilities for breach of contract, and sign the procurement contract according to the authorized approval procedures;</li> <li>A unified specification should be made for the allowable difference between the accepted quantity of important materials and the contracted quantity.</li> </ul>
	Unreported material schedule abnormalities disrupt production planning.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Timely follow up on the delivery status of materials and maintain good communication with the relevant procurement departments.</li> </ul>
Delivery Date Follow-up	Lapses in tracking materials lead to delayed deliveries and production bottlenecks.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Follow up regularly and push the arrangement of materials.</li> </ul>
Payment Processing	Delayed settlements cause suppliers to postpone shipments.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Make payment for goods in accordance with the contract.</li> </ul>
Invoice Tracking	Slow recovery of invoices delays financial workflows.	Short term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>Follow up the progress of the contract, and timely follow up the invoice.</li> </ul>

Opportunity type	Opportunity description	Time Range Of the Impact	Value Chain Segments Of the Impact	Potential Financial Impact	Measures
Market Opportunity	The company's soft magnetic powders are primarily used in the manufacturing of miniaturized, lightweight, and low-power integrally molded inductors, which offer significant advantages in high-frequency operating environments. With the rapid development of sectors such as automotive electronics, consumer electronics, servers, and graphics cards, the demand for these inductors continues to grow, providing the company with vast market potential.	Medium and long term	Downstream	Operational income increases	<ul style="list-style-type: none"> <li>Increase research and development investment in soft magnetic powders and continuously optimize product quality;</li> <li>Actively explore the market and tap into its potential.</li> </ul>

## Impact, Risk And Opportunity Management

To ensure supply chain stability and seize potential opportunities, the company established the "risk and opportunity assessment analysis table" to comprehensively identify and analyze potential risks in the supply chain, while also exploring various opportunities. Through scientific analysis, this approach provides strong support for the stable operation and sustainable development of the supply chain.

### Risk And Opportunity Management Process

#### Risk and opportunity identification

For different stages of the procurement process, risks and opportunities are identified and recorded.

#### Risk and opportunity assessment

For each identified risk and opportunity, a rating is assigned based on severity and risk frequency to determine the risk coefficient for each item.

#### Risk mitigation strategies

For the identified risks, countermeasures are developed, responsible departments are confirmed, and follow-up situations are recorded.



Indicators And Targets

The company regards the qualification rate and timeliness of procurement as core objectives. During the reporting period, it continuously iterated and optimized the procurement process, deepened the fine management of supplier relationships, and significantly improved the efficiency of internal collaboration, achieving a dual improvement in both procurement qualification rate and timeliness.

Supply Chain Safety Management Goal

- Ensure the qualification rate and timeliness of procurement.

Key Performance

Total number of suppliers: 369

Supply Chain Full Lifecycle Management

The company has formulated the "supplier admission and management" and "supplier selection and management control procedures" to systematize and standardize each link in the supplier admission, review, and evaluation process. This ensures the effective operation of the supplier management system, controls the supply chain quality from the source, and ensures that the products and services provided by suppliers meet the company's quality requirements and strategic goals.

Supply Chain Full Lifecycle Management

Supplier access	Collect the qualification certificates of potential suppliers, have the suppliers complete the "supplier questionnaire," conduct three trials of the supplier's products, and track the trial results using the "material trial tracking form." after all three trials are qualified, complete the "supplier capability evaluation form" and have it reviewed and approved by the relevant departments. Only then will the supplier be included in the approved supplier list, and various required agreements will be signed.
Supplier audit	Conduct on-site or field audits for different types of suppliers according to the frequency and method of supplier audits.
Supplier evaluation	Conduct annual assessments of suppliers based on quality, price, delivery timeliness, after-sales service, and other factors.
Classification	Suppliers are graded based on their annual assessment scores, and different measures are taken for suppliers with different assessment levels, such as increasing purchase volume, maintaining purchase volume, requiring corrective actions and reducing purchase volume, or disqualifying them.
Exit	Cooperation with suppliers who violate national laws and regulations, breach contracts, or provide substandard quality is terminated.

Sustainable Supplier Chain

The company places great emphasis on building a sustainable supply chain, focusing on environmental protection, social responsibility, and ethical procurement. Measures such as requiring suppliers to sign the "conflict-free mineral declaration" and implementing the "sunshine agreement" are used to regulate supplier behavior and promote the creation of a green, transparent, and sustainable supply chain.

Key Performance

The signing rate of the Supplier Sunshine Agreement is 84.28%

Data Security Governance

The company attaches paramount importance to data security. Guided by the "data security law of the people's republic of china" and the "personal information protection law of the people's republic of china", the company has continuously enhanced its information security framework and implemented robust security policies. During the reporting period, no data breaches or customer privacy incidents occurred.

Data Security Management

To ensure data protection, the company has established comprehensive policies covering critical processes such as data collection and storage. Advanced technical measures are deployed to safeguard data confidentiality, integrity, and availability, fortifying the company's information security defenses.

Data Security Safeguards

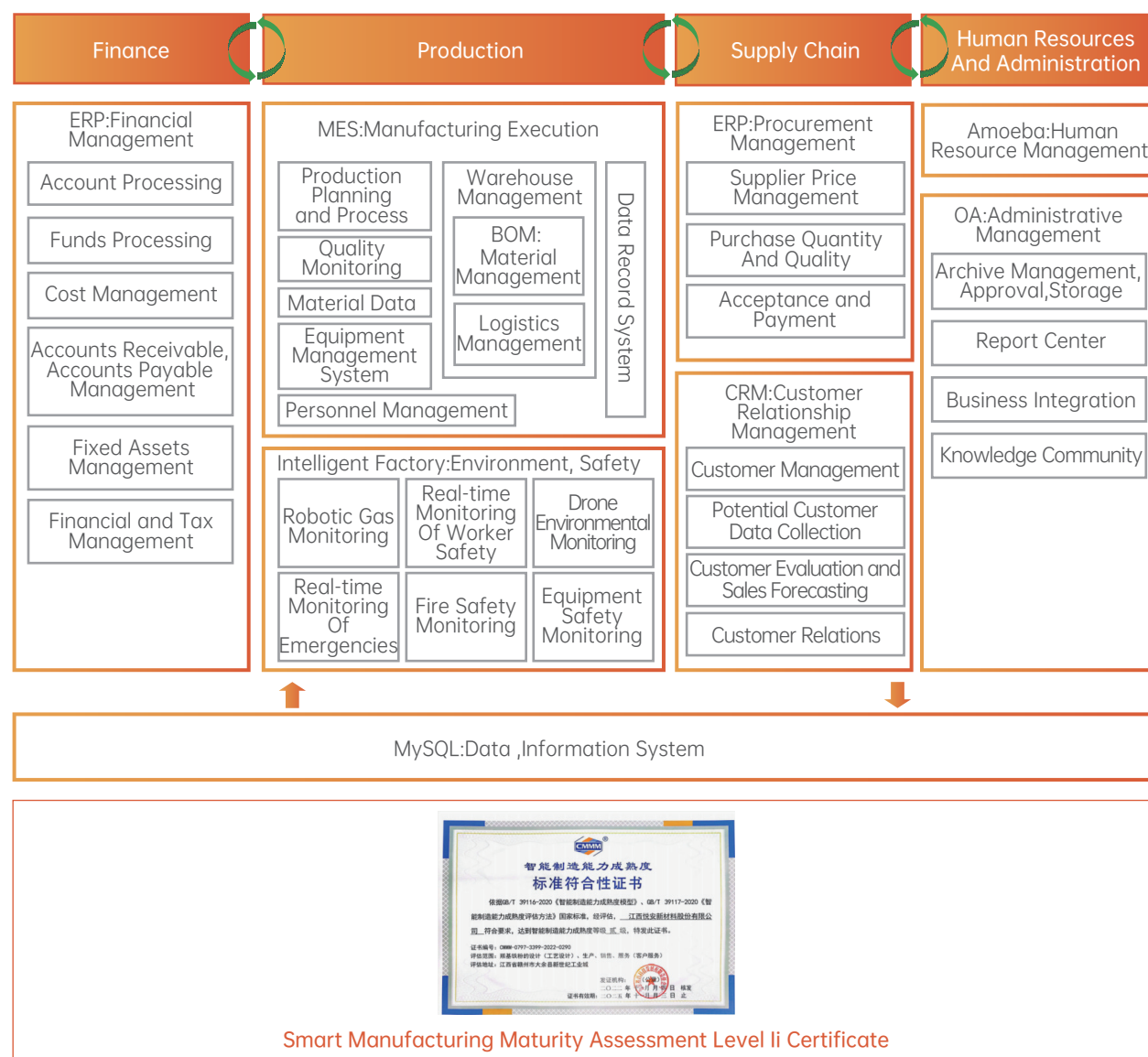
The Company employs multi-layered, multi-dimensional protective measures to guarantee data security. Additionally, a Cybersecurity Emergency Response Plan has been implemented, defining incident response protocols and accountability structures. Regular company-wide training and emergency drills are conducted to strengthen employee awareness and crisis response capabilities.

Data Security Protection Measures

Data defense	To ensure data security, the company consistently implements a scheduled backup retention strategy for comprehensive protection.
Customer privacy protection	Establish the "customer-related process control regulations" o classify and manage customer information hierarchically, preventing internal data leaks during circulation. All departments must submit formal applications before accessing or borrowing confidential documents, which can only be reviewed under supervision with copying strictly prohibited.

## Digital Construction

The Company places great importance on digital construction, aiming to achieve intelligent park management and efficient services, while building a modern smart factory that integrates efficient operations, intelligent management, and environmental sustainability. The Company has been honored with titles such as "Provincial-Level Integration of Informationization and Industrialization Demonstration Enterprise" and "Information Management Demonstration Enterprise". The Company has become an enterprise with a second-level assessment of intelligent manufacturing maturity, further promoting the company's in-depth development in the field of digitalization.



## Financial Management

In financial management, the Company has implemented an Kingdee ERP system that covers financial processing, fund operations, cost control, and tax planning. This system comprehensively improves data processing efficiency, ensures accurate alignment of cash flow and information flow, and drives the intelligent upgrading of the Company's financial operations.

## Production Management

The Company has implemented the first phase of the Manufacturing Execution System (MES) in the granulation and magnetic material workshops. This digital upgrade covers production planning, process control, quality monitoring, material data, and warehouse management, enabling the intelligentization of the production process. This helps the Company make faster and more accurate decisions, leading it into a new era of efficient, transparent, and intelligent manufacturing.



## Intelligent Factory

The Company leverages modern information technologies such as the Internet of Things (IoT), big data analytics, and cloud computing to build a smart park project. By utilizing the operation control center, it achieves real-time, precise monitoring of plant safety and environmental information. This ensures comprehensive and reliable safety and environmental protection for employees while improving overall work quality and efficiency, standardizing production processes, and providing solid data support for sustainable development.



Intelligent central control center

## Supply Chain Management

In the supply chain process, the Company integrates the supply chain management in ERP system with Customer Relationship Management (CRM) system to realize full-process digital control from procurement and inventory to sales. Additionally, the Company continuously advances its digital upgrades, and during the reporting period, a comprehensive system upgrade was carried out to further improve the response speed and flexibility of the supply chain, laying a solid foundation for the Company's long-term development.

## Human Resources And Administrative Management

In daily operations, the Company integrates the Amoeba management model with the OA system to achieve refined management and efficient collaboration across various Amoeba units through digital means. This enhances decision-making efficiency, promotes resource optimization, and supports the Company's growth.

## Amoeba Management Model

The Amoeba management model divides the Company into several small, independently accountable "Amoeba" units. Each unit independently manages its finances and operations, creating an internal competition and cooperation mechanism that greatly stimulates employee motivation and creativity. This model significantly improves the overall operational efficiency and economic benefits of the Company. Additionally, it promotes the rational allocation and optimal utilization of resources, ensuring the highest efficiency in all operational processes.

## OA System

The Company's OA system covers document management, approval processes, data storage, report centers, business integration, and knowledge communities. It ensures the efficient flow of information and resource sharing, improving cross-department collaboration. This provides strong support for the Company's refined management and intelligent decision-making processes.

# Empowering Employee Growth And Co-creating Social Well-being

# 05

## SDGs In This Chapter



## Achievements In 2024

- Labor Contract Signing Rate: **100%**
- Work Safety Investment: **¥4.125** Million
- Employee Training Coverage Rate: **100%**

## Key ESG Issues In This Chapter

- Protection Of The Employees' Legal Rights Benefits
- Rural Revitalization
- Employee Training And Development
- Social Contributions
- Occupational Health And Safety

# YUEAN



## Employee Rights Protection

The company strictly complies with the "civil code of the people's republic of china", the "labor law of the people's republic of china", and other relevant laws and regulations, fully respecting and protecting employee rights. The company has established comprehensive management systems, including "human resource planning and demand control management" and the "employee handbook", to develop a robust human resources framework that fosters harmonious and equitable labor relations, supporting long-term corporate growth.

### Equality And Diversity

The company advocates the concept of diversity, equality and inclusion to ensure that every employee is provided with equal opportunities in terms of promotion, training and development. In the process of operation and management, the company resolutely opposes discrimination, harassment, etc., and prohibits the use of child labor and forced labor. At the same time, we fully respect the rights of employees to freedom of association and collective bargaining in accordance with the law. During the reporting period, the company did not experience any labor discrimination or forced labor.

#### Key Performance

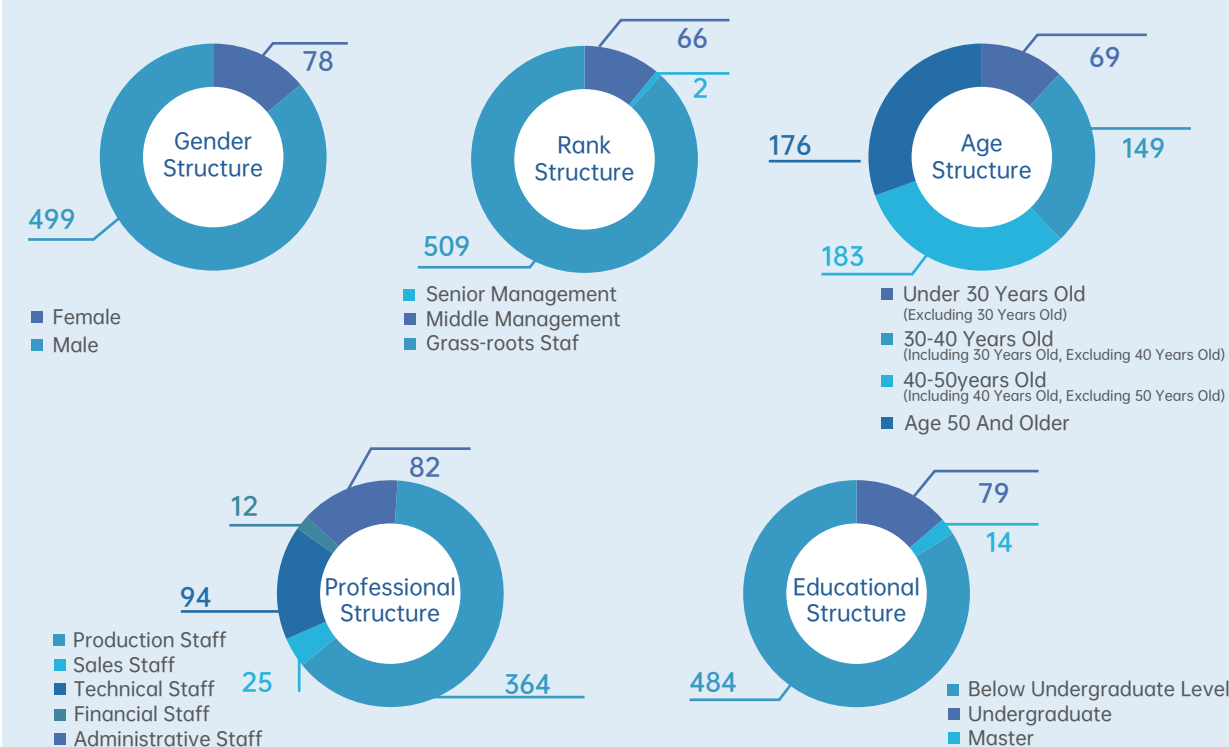
Labor Contract Signing Rate: **100%**

Total Workforce: **577** employees

Veteran Employees: **26**

Ethnic Minority Employees: **13**

#### Staff Composition



## Female Employee Protection

The company attaches great importance to and actively promotes the protection of the rights and interests of female employees to ensure gender equality in the workplace. The company, in strict accordance with relevant laws and regulations, actively implements maternity leave, breastfeeding leave and other rights and interests protection measures for female employees, and conveys the company's care and support for female employees with practical actions to effectively enhance employee satisfaction and loyalty.

#### Case

#### International Women's Day Event

To reflect the company's "people-oriented" corporate culture and special care for female employees, the company provided a welfare fund for female employee on international women's day and organized team-building activities. This strengthened the company's cohesion and effectively promoted harmonious team development.



## Employee Onboarding And Offboarding Management

In order to standardize the management of employee recruitment, the company has formulated the "recruitment and employment management system" and "management measures for the entry and probation period of new employees" and other rules and regulations, which follow the principle of "merit-based appointment", ensure that the ability of employees matches the position, uphold the principle of equality and comprehensive inspection, and ensure that the employee recruitment process is legal and compliant.

In the recruitment process, the company treats all applicants equally and fairly, and prohibits any form of discrimination and child labor. The company requires the human resources department to strengthen the age review work to prevent the occurrence of false child labor. During the reporting period, the company did not have any violations of child labor recruitment.

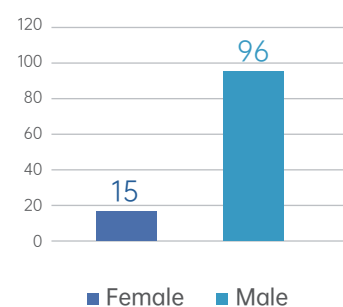
### Recruitment Channels

The company utilizes various recruitment channels, including campus recruitment and social recruitment, expanding the talent selection scope and improving recruitment efficiency. Additionally, the company actively recruits veterans, further enhancing its overall competitiveness and social image.

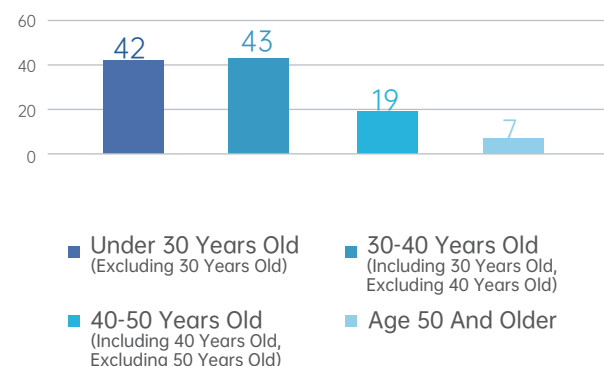
The company follows the relevant provisions of the "employee offboarding management system" to ensure that the resignation process is standardized and compliant, effectively mitigating labor dispute risks.

### New Entry Of Employees

New Hires By Gender



New Hires By Age



### Key Performance

New hires: **111**

## Compensation And Performance Evaluation

The Company has established a "Salary Management System" to regulate compensation management, aiming to build a fair, just, and motivating salary structure. The Company has enhanced its incentive mechanisms, sharing the growth achievements with employees to stimulate the team's potential and creativity. The Company implements a "base salary & performance bonus" compensation structure, closely linking individual performance with the overall company performance, thereby effectively driving the Company to achieve its business objectives.

### Salary Structure



The company conducts monthly performance evaluation assessments. Evaluators assess employee performance for the previous evaluation period in accordance with the employee performance plan and evaluation form, with department heads consolidating the performance evaluation results for all employees in their respective departments. Employees who are unclear about or disagree with their evaluation results must complete the performance evaluation appeal form and submit it to the human resources department within the evaluation period or within 3 days after the evaluation concludes.

### Appeal Process

- The hr department conducts a preliminary review of the appeal report and provides a response within one day regarding whether the appeal will be accepted.
- For accepted appeals, the department investigates and verifies the content of the appeal, then submits the investigation results to the performance and compensation evaluation management team.
- If the appeal is substantiated, the hr department will re-evaluate the appellant according to the monthly evaluation process, and the results will be considered the employee's monthly evaluation score.
- During the appeal process, if any unfair behavior is identified during the evaluation, appropriate disciplinary actions will be taken according to the relevant regulations.

## Employee Benefits

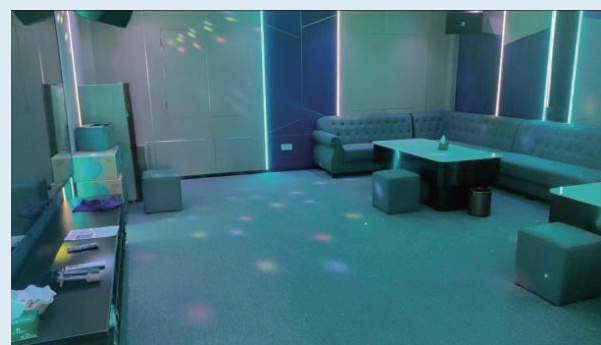
The company is committed to building a competitive employee benefits system, deeply integrating statutory benefits with customized care to enhance employee satisfaction and loyalty, while strengthening internal cohesion and unity.

Additionally, the company implements a standard working hours system to ensure employees maintain a balance between work and rest, further protecting their rights and improving work efficiency. During the reporting period, the company's social insurance coverage rate reached 97%.



## Employee Benefits System

Statutory Benefits	<ul style="list-style-type: none"> <li>● Five Insurances and One Housing Fund</li> <li>● Statutory Holidays, Other Paid Leave, and Other Holidays</li> </ul>
Special Benefits	<ul style="list-style-type: none"> <li>● Employee Dormitories</li> <li>● Stock Option Incentives</li> <li>● Employee Club</li> <li>● Department Team Building</li> <li>● Holiday Gifts</li> <li>● Company Gym</li> <li>● Sick Leave Sympathy</li> <li>● Health Lectures</li> <li>● Health Days Activities</li> <li>● Commercial Insurance</li> <li>● High-temperature Subsidy</li> </ul>



Employee Cultural And Recreational Activity Room



Employee Activity Room

## Employee Care

The company steadfastly upholds a people-oriented core value, placing paramount importance on employee welfare and development while fostering a warm, harmonious, and collaborative work environment.

To address employees' practical challenges, the company has implemented a series of assistance programs for staff in need. These initiatives aim to alleviate difficulties, strengthen belonging and well-being, enhance team cohesion, and establish a solid humanistic foundation for sustainable growth.

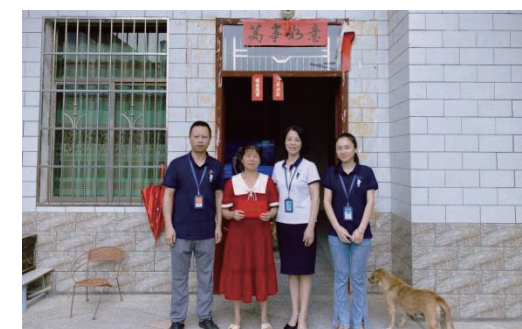
Concurrently, the company recognizes retired employees' contributions and well-being by presenting sympathy gifts, expressing profound gratitude and respect for their service.



Feb 3, 2024: Visiting Employee In Difficulty From Production Division



Aug 27, 2024: Visiting Employee In Difficulty From Production Division



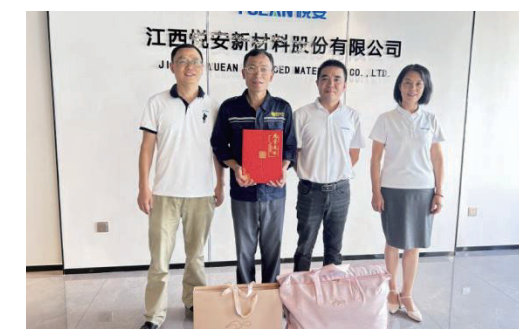
Sep 26, 2024: Visiting Employees On Medical Leave For Critical Illnesses



Nov 13, 2024: Visiting Employee In Difficulty From Production Division



In March 2024, Retired Employees Of The Administration Department



In August 2024, Retired Employees From Production Division



## Key Performance

Number of employees in difficulty assisted: **12**

## Employee Activities



"Promoting May Fourth Spirit, Establishing Youth Ideals" – New Employee Team-building Event



Marathon Cross-country Race



Tug-of-war Competition



## Case

## Staff Congress Meeting

On July 20, 2024, the Company convened the 3rd Session of the 1st Staff Congress. The meeting elected the 2nd Trade Union Committee, Fund Review Committee, and Women Workers Committee. Key agenda items included reviewing the Collective Labor Contract to ensure full compliance with legal requirements and comprehensive protection of employee rights.



## Key Performance

Labor union members accounting for **91%** of active employees.

Number of projects approved by the labor union: **3**

## Employee Satisfaction

The company places great importance on employee satisfaction, considering it a key indicator of management effectiveness and employee well-being. Regular comprehensive employee satisfaction surveys are conducted to gain deep insights into employee needs and expectations, identifying both strengths and areas for improvement in management practices. By designing scientifically structured questionnaires, collecting broad feedback, and conducting in-depth data analysis, the company ensures that every piece of feedback is promptly addressed and effectively acted upon, enhancing employees' sense of involvement and belonging.

## Key Performance

Number of employees participating in the satisfaction survey: **303**

Employee satisfaction rate: **94.20%**

## Democratic Management

The company has established a labor union and an employee representative assembly to implement democratic management and deepen employee participation in corporate decision-making processes. At the same time, the company advocates an open and transparent communication mechanism, encouraging employees to actively contribute suggestions through the union platform, jointly participating in corporate management, and promoting the company's sustainable and healthy development.

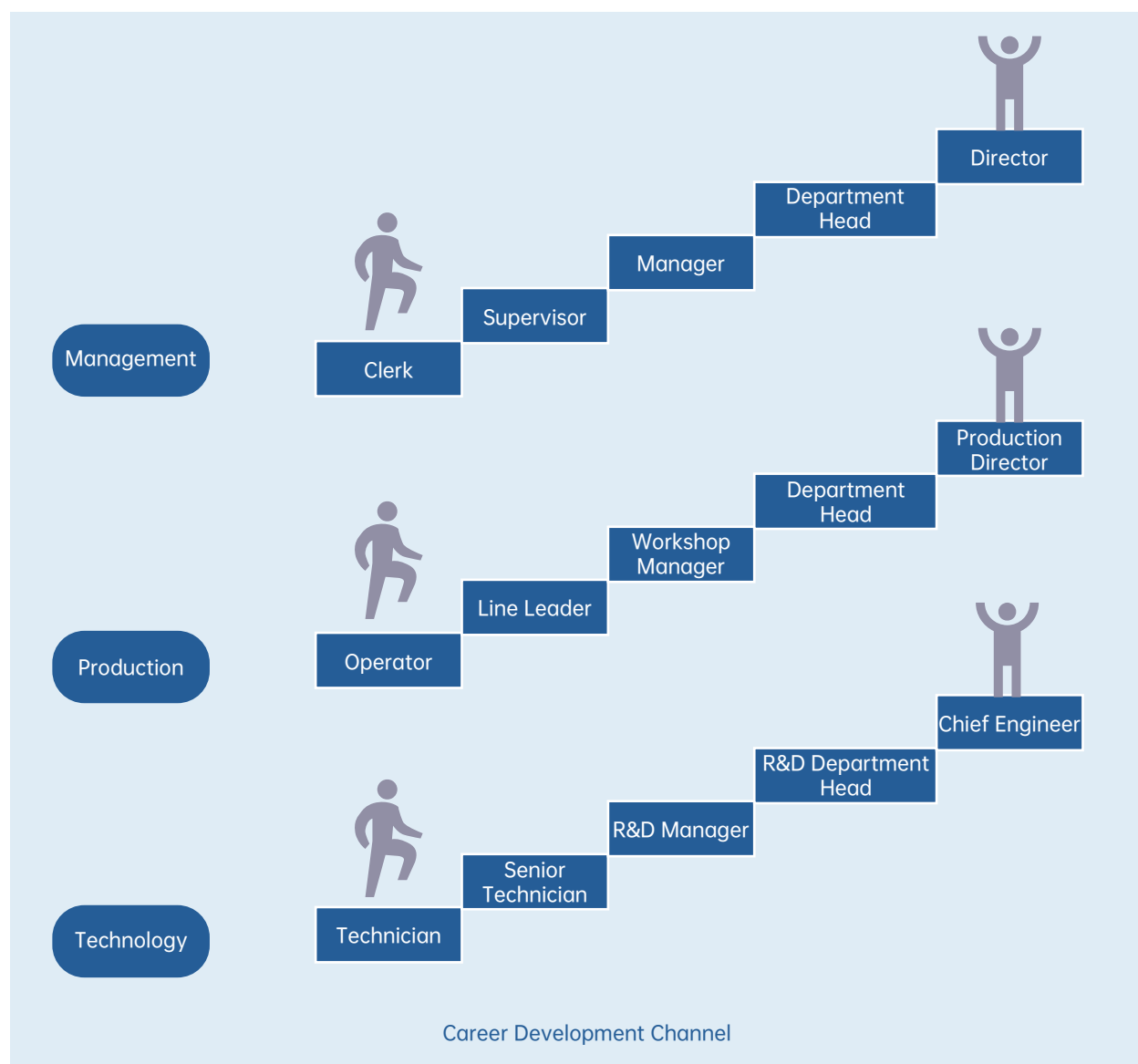
Additionally, the company provides multiple communication channels, including suggestion boxes, emails, wechat, or face-to-face meetings, ensuring that every employee's opinions are heard and responded to promptly and effectively.

## Employee Career Development

The company is committed to building a comprehensive career development system, meticulously designing employee promotion paths to unlock individual potential and drive corporate growth. The company emphasizes employee training and development, offering customized training programs to enhance professional skills and overall competencies.

## Employee Promotion

The company has established the promotion mechanism management policy, clearly defining promotion criteria and processes. This framework creates clear career progression pathways, motivates employees to realize their potential, and enhances their professional capabilities, laying a solid talent foundation for the company's sustainable development and competitive edge.



### Key Performance

Internal Employee Transfers/Applications: **28**

## Employee Training

The company places great emphasis on employee training and development by designing and implementing a series of personalized training programs. These initiatives comprehensively enhance employees' professional skills and leadership abilities, improving their overall competencies while continuously injecting vitality and innovative thinking into the company's long-term growth.

### Training System

- The company's training program consists of pre-employment training, on-the-job training, and position-specific training.
- Pre-employment training covers company overview and culture, quality policies and objectives, key company policies and regulations, fire safety knowledge, and workplace safety training.
- On-the-job training and position-specific training are conducted based on job requirements and operational needs.

### Case

### Orientation Training

To facilitate new employees' rapid integration into the company environment and clarify their career development direction, during the reporting period, the company proactively carried out comprehensive orientation training programs. These programs covered corporate culture, company policies, job-specific skills, and safety protocols, aiming to holistically enhance new employees' professional competence and job readiness.



### Key Performance

Amount of employee training investment: **168.4** thousand yuan

Total training sessions conducted: **252**

Total number of employees trained: **577**

Total training participations: **6,655**

Employee training coverage rate: **100%**

# Occupational Health And Safety

The company strictly complies with the work safety law of the people's republic of china and the occupational disease prevention and control law of the people's republic of china, establishing a robust occupational health and safety management system to strengthen risk management and create a safe, healthy working environment for employees.

During the reporting period, no major work safety incidents occurred.

## Occupational Health And Safety Management

To enhance work safety management and implement the national safety policy of "safety first, prevention-oriented, comprehensive management," the company has formulated a series of measures, including the full staff work safety responsibility system, safety technical procedures, and occupational disease prevention plan and implementation program. Regular safety responsibility assessments are conducted to encourage employees to actively fulfill safety duties and improve management efficiency.

Additionally, the company has established a work safety committee and an occupational health leadership group to clarify the responsibilities of management, functional departments, and employees, reinforcing occupational health and safety protections.

### Work Safety Committee Responsibilities

- Implement national safety policies, laws, regulations, and standards, establish sound safety management systems, and supervise their execution across departments.
- Conduct company-wide risk assessments and perform comprehensive safety inspections at production sites.
- Oversee company transportation, fire safety, critical workstations, fire equipment, and special protective gear management and inspections.
- Organize safety training programs and conduct company-wide safety education and assessments.

### Occupational Health Leadership Group Responsibilities

- Arrange pre-employment, on-the-job, and post-employment occupational health examinations for workers.
- Conduct occupational health education and training.
- Provide workplace protective facilities and personal protective equipment (ppe) that meet occupational disease prevention requirements.
- Perform routine monitoring of occupational hazard factors in workshop environments.
- Maintain records of hazard monitoring data, occupational health management logs, and related archives.

The company has also implemented the work safety reward and penalty system, recognizing individuals and teams with outstanding safety performance while penalizing violations and accident liabilities to reduce safety incidents.

The company has obtained occupational health and safety management system (ohsms) certification.



Occupational Health And Safety Management System Certification

## Occupational Health & Safety Training

To comprehensively enhance employees' safety management capabilities and deepen safety awareness, the company prioritized systematic safety training initiatives during the reporting period. Employees were actively encouraged to participate in external programs to ensure up-to-date knowledge of safety regulations, standards, and operational protocols, thereby strengthening risk response preparedness.

During the reported period, 2 employees obtained certification through Ganzhou Health Commission's occupational health training program.

### Case

### Work Safety Month Training

On March 28, 2024, the Company organized Work Safety Month training to disseminate the Full Staff Safety Responsibility System and Notice on Optimizing Shift Handover & Team Safety Procedures, screen educational videos on violation incidents, study the "Ten Don'ts" Safety Rules (covering prohibited positions/actions/operations/behaviors), and conduct PPE usage standardization training, comprehensively strengthening employees' safety accountability and self-protection awareness.



### Key Performance

Total investment in safety training: **173.7** thousand yuan

Total safety training sessions: **10**

Total safety training participants: **1,200**

Total number of employees trained in safety: **400**

Total safety training hours: **4,500** hours

Average safety training hours per employee: **7.8** hours



## ◎ Strategy

Risk Type	Risk Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Occupational Health Hazards	The company produces carbonyl iron powder, atomized alloy powder, and other materials, generating significant metal dust during manufacturing. Prolonged employee exposure to these airborne particles may lead to pneumoconiosis and other pulmonary diseases.	Short, medium, and long term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>● Provide employees with protective equipment;</li> <li>● Conduct occupational disease hazard detection and evaluation, continuously optimize the work environment;</li> <li>● Conduct annual health check-ups for all employees and specialized occupational disease check-ups for specific positions;</li> </ul>
	Production involves handling hazardous chemicals—including sulfuric acid, hydrochloric acid, acetone, and potassium permanganate—which pose health risks during loading, transportation, and usage if proper protective measures are neglected.				<ul style="list-style-type: none"> <li>● Place safety risk bulletin boards, risk information signs, job risk information cards, and warning signs at prominent locations, hazardous areas, and key zones, indicating major safety risks, potential accident hazards, consequences, control measures, responsible departments, emergency measures, and reporting methods;</li> </ul>
	Factory equipment generates high-intensity noise during operation, potentially causing hearing damage with long-term exposure. Additionally, certain machinery produces harmful vibrations; chronic contact with hand-transmitted vibrations may result in occupational injuries.				<ul style="list-style-type: none"> <li>● Establish a chemical management system to standardize process management;</li> <li>● Conduct occupational health-related training to raise employees' awareness of protection.</li> </ul>
Production Safety Risks	The production process also carries risks of fire, explosions, chemical leaks, equipment failures, and operational errors, any of which could trigger accidents leading to casualties and property damage.	Short and medium term	Operation	Operational cost increases	<ul style="list-style-type: none"> <li>● Develop a safety production emergency plan and conduct emergency drills;</li> <li>● Regularly conduct hazard inspections and make timely corrections;</li> <li>● Use equipment that meets safety standards, and conduct regular equipment inspections and maintenance;</li> <li>● Conduct safety training periodically to enhance employees' safety awareness.</li> </ul>

Opportunity Type	Opportunity Description	Time Range Of The Impact	Value Chain Segments Of The Impact	Potential Financial Impact	Measures
Technology Opportunity	Develop and introduce automated production equipment to reduce on-site operations for employees, enhancing the safety and reliability of the production process.	Long term	Operation	Operational cost decreases	<ul style="list-style-type: none"> <li>● Increase investment in safety equipment and facilities, selecting advanced, reliable, and explosion-proof or leak-proof automated equipment based on the company's production processes and safety requirements, ensuring that the equipment meets production needs while maximizing safety.</li> </ul>

## ◎ Impact, Risk And Opportunity Management

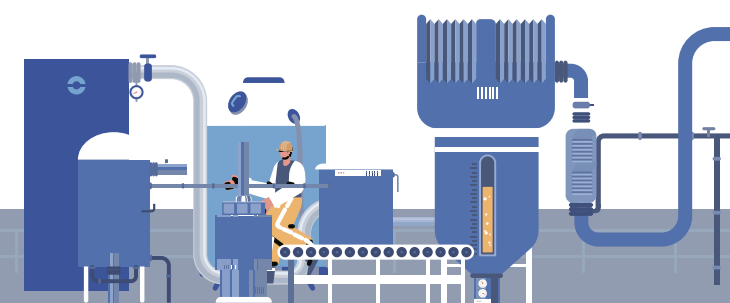
To control occupational health and safety risks, the company continuously improves its risk management processes, thoroughly identifies potential hazards, and implements targeted risk prevention measures to reduce or eliminate potential impacts from the source, ensuring employee safety.

Risk Management Process	
Risk Identification	Identify factors in the workplace that could affect employee health and safety, including physical, chemical, and equipment failure risks.
Risk Assessment	Conduct a comprehensive evaluation of identified risks to determine the probability of occurrence and the potential losses.
Risk Control	Based on the risk assessment results, develop corresponding risk control measures, such as strengthening equipment maintenance, improving employee operation skills, and enhancing the work environment.

## Hazard Inspections

The company organizes annual hazard inspection activities, covering all production stages. Key parts of production equipment, electrical circuits, and fire-fighting facilities are thoroughly inspected to ensure compliance with safety standards. Employee operational processes are strictly reviewed, and non-compliant behaviors are corrected to prevent accidents caused by human error.

During the reporting period, a total of 260 general potential hazards were identified and corrected, achieving a 100% completion rate for rectifications.



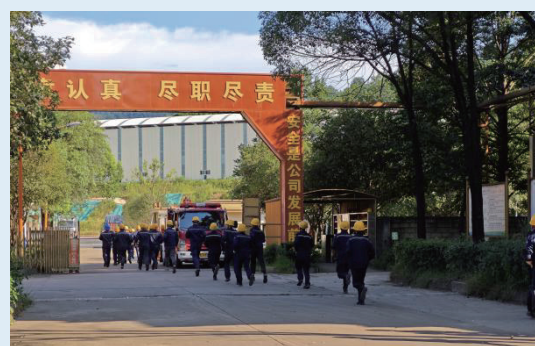
## Emergency Plans And Drills

The company strictly adheres to the "production safety accident emergency plan management measures" and "production safety accident emergency regulations," developing a comprehensive "production safety accident emergency plan." an emergency command team is established to strengthen emergency rescue team building and ensure the readiness of emergency supplies. In the event of a safety production accident, the company ensures a rapid and effective response, with emergency measures being executed efficiently and orderly to minimize casualties and property damage.

During the reporting period, the company regularly conducted emergency response drills to enhance personnel's ability to handle emergencies. Drills were also used to test and optimize the preparedness of emergency supplies and the effectiveness of emergency procedures in real-life situations.

### Case Fire Emergency Drill

To enhance employees' safety awareness and emergency response capabilities, the company conducted a fire drill during the reporting period, simulating critical scenarios including emergency evacuation and fire suppression. The exercise strengthened staff understanding of fire safety protocols, improved team coordination, and accelerated emergency response times, thereby reinforcing the foundation for safe production.



### Key Performance

Emergency Drills Conducted: **5**

## Occupational Disease Hazard Detection

During the reporting period, the company entrusted a third-party organization to conduct occupational hazard detection and assess the current status of occupational disease risks. Through an in-depth analysis of the distribution characteristics, development trends, and potential risks of occupational disease hazards, the company was able to provide scientific evidence for formulating targeted prevention and control measures, effectively enhancing the company's occupational health management level.

### Key Performance

Occupational Hazard Monitoring Testing Rate: **100%**  
Occupational Hazard Monitoring Compliance Rate: **100%**

## Indicators And Targets

To strengthen the Company's safety production management, implement safety production responsibilities, and reinforce the safety responsibility awareness of department heads, team leaders, and key employees, the Company has established safety management goals based on the principle of hierarchical management and responsibility. Through a goal-oriented approach, the Company effectively controls various types of casualties, prevents or reduces general safety incidents, and ensures the smooth operation of production and business activities.

### Safety Control Goals

#### Qualitative Goals

- No major or catastrophic safety production accidents.
- No work-related fatalities or serious injuries; control light injuries.
- No incidents of fire, explosion, or occupational diseases.
- No hazardous chemical leaks or acute poisoning accidents.
- No serious equipment damage accidents.

#### Quantitative Goals

- 100% signing rate of safety production responsibility agreements for the year.
- 100% rate of process supervision and on-site safety inspections.
- 100% implementation rate of safety measures in key risk areas.
- 100% completion rate of safety improvement projects for the year.
- Over 85% certification rate for key regulatory education and training.
- Over 90% rectification rate for daily safety hazards.

 **Achieved**

Indicators	Unit	2024
Number Of Deaths Due To Work-related Causes	Persons	0
Investment In Safety Production	10k Rmb	412.5
Proportion Of Safety Production Investment To Revenue	%	1

## Occupational Health And Safety Management Measures

To ensure personnel safety, the company enhances workplace security by providing labor protection equipment and other measures, strengthening employees' safety awareness and self-protection capabilities, thereby establishing a solid foundation for stable production and operations.

## Occupational Health And Safety Management Measures

- Special operations personnel must hold valid certifications.
- In accordance with the labor protection equipment management regulations, the company provides employees with personal protective equipment (ppe) tailored to different job roles, working environments, and conditions.
- Establish and maintain employee health monitoring records, preserving them for the required duration.
- Conduct occupational health training and organize employee health check-ups.
- Clearly communicate occupational hazard information, truthfully informing employees of potential hazards and consequences in their work processes. For positions with severe occupational hazards, post warning signs and descriptions in prominent locations.
- Perform regular maintenance and inspections of occupational hazard protection facilities.

## Employee Health Examinations

To promote employee well-being and overall team welfare, the company conducts regular health check-ups. These comprehensive examinations include multiple professional tests, helping employees stay informed about their health status, prevent potential illnesses, and ensure they can perform at their best.



Health Examinations On-site Spot

### Key Performance

Employee Health Examinations Participants: **577** Persons  
Employee Health Examinations Coverage Rate: **100%**

## Contractor Safety Management

The company has established the contractor safety management regulations, specifying requirements for contractor selection, pre-construction preparations, on-site safety control, and performance evaluations. All contractors must comply with the company's hse policies and implement designated control measures at worksites.

## Chemical Safety Management

In accordance with the regulations on the safety management of precursor chemicals and the purchase, sale and transport management measures, the company has implemented the precursor chemicals safety management system to standardize controls across procurement, transportation, handling, storage, and disposal processes, ensuring the safety of chemicals and personnel.

### Precursor Chemicals Management

Procurement	Purchases must be made exclusively from licensed suppliers, with procurement personnel required to obtain safety data sheets (sds) and hazard labels from vendors and distribute these documents to user departments, storage facilities, and ehs management units.
Transportation And Handling	Precursor chemicals must be transported exclusively by licensed carriers, who must present valid permits, complete mandatory traffic authority filings, and equip vehicles with compliant safety markings.
Storage	Precursor chemicals must be stored exclusively in dedicated warehouses or tank farms, with storage methods, procedures, and quantity limits strictly complying with national standards.
Usage	A dedicated precursor chemicals registry shall be established, maintaining bound hardcopy logs for auditing purposes.
Disposal	Store separately and dispose of according to relevant regulations.

### Key Performance

Certified Special Operations Personnel Certified Workers: **32** Persons

Certified Special Operations Personnel Total Required: **32** Persons

Certified Special Operations Personnel Coverage Rate: **100%**

Occupational Injury Insurance Coverage Rate: **100%**

Investment Amount in Safety Production Liability Insurance: **92,568.00** ¥

Number of Employees Covered by Safety Production Liability Insurance: **174** people





## Social Public Welfare Contributions

The company has always regarded fulfilling social responsibility as an important mission, actively participating in various public welfare activities. In the field of education, the company focuses on long-term talent development by establishing a scholarship fund. In humanitarian rescue, the company donates to the red cross to support emergency rescue operations, first aid training, and other initiatives, demonstrating its commitment to social welfare with concrete actions and showcasing corporate responsibility.

### Charitable Donations

- Donated AED defibrillators through tencent charity (employee donation activity).
- Directed donation to the yuling public welfare rescue fund through the red cross.
- Established the yue'an new materials scholarship fund through the red cross.
- Directed donation to the nan'an town education development promotion association through the danyu county red cross.



Scholarship Fund Distribution



AED Defibrillators

## Supporting Rural Revitalization

The Company actively responds to the Rural Revitalization Strategy and quickly participates in the "10,000 Enterprises Help 10,000 Villages" initiative. By donating funds to Dongshan Village, the Company supports rural revitalization efforts, injecting momentum into rural development. This contribution helps achieve economic growth and improve living conditions, making steady progress on the path to rural revitalization.



"10,000 Enterprises Help 10,000 Villages" Rural Revitalization Initiative

### Key Performance

Investment in rural revitalization: ¥111,700





# Forward Outlook

In the future, the metal powder industry will face various developments and challenges. The Company is committed to becoming a leading metal powder materials supplier in the Asia-Pacific region, and will practice the sustainable development strategy, adhere to innovation-driven enterprise transformation and development, accelerate the improvement of the enterprise's core competitiveness and global influence, and work together with all stakeholders to jointly promote the sustainable development of the global economy, society and environment, create a harmonious ecosystem and seek the well-being of mankind.

In terms of the environment, with the increasingly strict environmental regulations, the Company will continue to increase investment in environmental protection. On the one hand, through the introduction of advanced environmental protection equipment and technologies, the energy consumption, wastewater and waste gas emissions in the production process will be further reduced, and the resource utilization efficiency will be improved. On the other hand, the recycling and recovery technologies will be actively explored and promote the industry to develop in a green and sustainable direction.

In terms of the social responsibility, the Company will pay more attention to the protection of employees' rights and interests, provide more complete welfare and career development plans, strengthen staff training, and enhance employee satisfaction and loyalty. Meanwhile, they will actively participate in community construction and support public welfare undertakings such as education, humanitarian rescue and rural revitalization. In addition, in terms of supply chain management, closer cooperative relationships will be established with suppliers to promote the sustainable development of the supply chain, and suppliers will be encouraged to adopt environmentally-friendly materials and processes.

In terms of corporate governance, enterprises will establish and improve the sustainable development governance mechanism and improve relevant policies and systems. Through the formulation of clear annual performance goals and indicators for ESG issues and the tracking and evaluation of their completion, the effectiveness and level of ESG governance will be continuously improved. At the same time, risk management will be strengthened, a comprehensive risk management system will be established, and ESG assessment models will be introduced to identify and evaluate sustainable development risks and opportunities, so as to enhance the strategic resilience of enterprises in the face of market fluctuations and potential risks.

Technological innovation will be the key driving force for the development of enterprises. With the development of materials science and production process, the application potential of new materials such as metal powders in the fields of electronics, microwave absorption, metal injection molding and 3D Printing will be further released. Enterprises will increase R & D investment, cooperate with universities and research institutions to develop products with higher performance and environmental protection levels, to meet the market demand for high-performance materials.

# YUEAN



# Appendix

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