

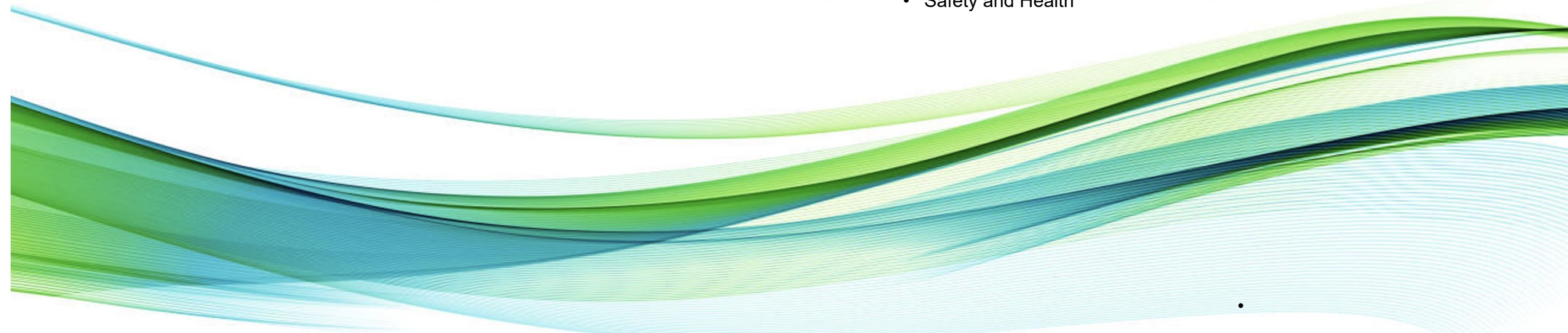


# 2023 ESG REPORT

江西悦安新材料股份有限公司  
JIANGXI YUEAN ADVANCED MATERIALS CO., LTD.

# Content

<p><b>Chairman's Message</b> 1-2</p> <p><b>About the Report</b> 3-4</p> <p><b>YueAn's 20 Years</b> 5-7</p> <ul style="list-style-type: none"> <li>• Company Profile</li> <li>• Product Category</li> <li>• Product Main Applications</li> <li>• Company History</li> </ul> <p><b>Assessment of Material Issues</b> 8-11</p> <ul style="list-style-type: none"> <li>• Identifying Material Issues</li> <li>• Stakeholder Inclusiveness</li> <li>• Material Issue Matrix</li> </ul> <p><b>ESG Management System</b> 12-18</p> <ul style="list-style-type: none"> <li>• ESG Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Management and Planning</li> <li>• ESG System</li> <li>• Industrial Strategic Planning</li> </ul> <p><b>01 Green Scientific Innovation</b> 19-34</p> <ul style="list-style-type: none"> <li>• Green R&amp;D</li> <li>• Green Quality Control</li> <li>• Green Process</li> <li>• Green Water Use</li> <li>• Green Gas</li> <li>• Green Energy</li> <li>• Green Waste Management</li> <li>• Green Noise Reduction</li> <li>• Green Office</li> </ul> <p><b>02 Digital Corporate Governance</b> 35-42</p> <ul style="list-style-type: none"> <li>• Governance Structure</li> </ul>	<ul style="list-style-type: none"> <li>• Investor Relations</li> <li>• Compliance Operations</li> <li>• Community Party Construction</li> <li>• Intelligent Factory</li> <li>• Information Security</li> </ul> <p><b>03 Value Chain Synergy</b> 43-47</p> <ul style="list-style-type: none"> <li>• Supply Chain Synergy</li> <li>• Marketing Synergy</li> <li>• Anti-corruption, Anti-bribery, Anti-fraud</li> </ul> <p><b>04 Sustainable Human Development</b> 48-63</p> <ul style="list-style-type: none"> <li>• Employee Rights</li> <li>• Employee Diversity</li> <li>• Employee Communication</li> <li>• Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Compensation and Incentives</li> <li>• Employee Promotion</li> <li>• Employee Training and Development</li> <li>• Employee Care and Community Vitality</li> <li>• Poverty Alleviation</li> <li>• Rural Revitalization</li> </ul> <p><b>Appendix 1: GRI report disclosure Index</b> 64-70</p> <p><b>Appendix 2: Summary of Key Performance Indicators</b> 71-72</p> <p><b>Reader Feedback Form</b> 73-74</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------





### Chairman's Statement

JIANGXI YUEAN ADVANCED  
MATERIALS CO.,LTD.

Chairman Shangkui Li

**Year 2024 is a milestone of YueAn's 20th anniversary, we forge ahead to get more achievements.** The world's economy is gradually recovering from major public health emergencies, with the rapid development of digital technology and artificial intelligence, another industrial and scientific revolution is around the corner. In this fast-changing circumstance, our company continuously seeks for cutting-edge technology to help with our highly-qualified sustainable development. And we will always be customer-centric, and continue to provide high-quality products for our customers worldwide.

**2023 is the first year that YueAn officially implements the ESG strategy** In 2023, we further integrated sustainable development into our company strategy, we improved the organizational structure of YueAn ESG Committee and promote relevant implementation plans. Starting from four strategic pillars: green innovation, digital corporate governance, collaborative Value Chain Synergy, and sustainable human development, we set systematic measurements in environmental, social and corporate governance aspects, embedding ESG concepts deeply into all fields of the company's development, forming a measurable, achievable, monitorable, and digitalized management system.

**To keep up with the pace of the industrial development, YueAn uses new digital, informationize and automated technology.** As a high-tech company, we introduced digital, informationize and automated technology to upgrade production lines, and to improve QC process. Our MES (Phase I) has been successfully launched and put into use in 2023, and we plan to gradually upgrade our ERP, OA and CRM. In 2023, the company won the dual honorary title of "Jiangxi Province informatization and Industrialization Integration Demonstration Enterprise" and "Informatization Management demonstration enterprise". In the future, we will gradually implement the data integration between various online systems to provide a good hardware and software foundation for the company to achieve digital and fine management, and further improve the overall operating efficiency of the company.

**YueAn always takes social responsibility into consideration, we actively helps to promote technological innovation and carbon reduction.** For carbonyl iron powder, YueAn sets the industry benchmark in the subdivision field globally and obtains a number of powder metallurgy related patents. In 2023, the company comprehensively deepened energy conservation projects, gradually increased the proportion of clean energy use, and successfully monitored and effectively reduced carbon emissions. In future, we will continue to respond to the "dual carbon" strategy in China, be committed to the development of more efficient and environmentally friendly production processes as well as the recycling and reuse of raw materials.

**Caring for society and giving back to the community has been one of YueAn's core values since its establishment.** In cooperation with the society, YueAn actively participated in the cultural construction and organized a number of activities to promote the rural revitalization strategy. To learn more of our history and stimulate their enthusiasm of pursuing grand dreams, we invited local young people to visit Beijing, the historic capital of China. We also organized many large-scale activities such as "ten thousand enterprises thriving ten thousand villages", and made proud achievements in the "five small" and other activities of provincial employees.

**We believe that the success of a company is not just about the capability of the individual entity, but also the result of the joint efforts with the whole society.** Therefore, we will further cooperate with the society to promote sustainable development in powder metallurgy, environmental protection and other fields. Adhering to the business philosophy of "innovation, cooperation, win-win", we are willing to explore the market and expand new business areas. All of our staff will work together to deal with various challenges to ensure the steady development of our company, to continuously create value for customers, shareholders and the society!

# About the Report

YueAn's 2023 ESG Report (hereinafter referred to as "this report") is the first Environmental, social and Governance (ESG) report issued by Jiangxi YueAn Advanced Materials Co.,Ltd.. Based on the principles of objectivity, standardization, transparency, accuracy and comprehensiveness, this report details the company's management strategies, practices and performance in the field of environmental, social, corporate governance and other sustainable development in 2023.

## Abbreviations

Abbreviations	Reference
Our Group, we, YueAn, the company	Jiangxi YueAn Advanced Materials Co.,Ltd.

## Time Range

This report covers the period from January 1st, 2023, to December 31st, 2023, showcasing the company's achievements in sustainable development.

## Report Scope

Unless otherwise stated, the content disclosed in this report covers the same scope as the annual report.

## Data Explanation

Unless otherwise stated, all the information and data disclosed in this report are derived from internal documents of Jiangxi YueAn Advanced Materials Co.,Ltd., its branches, consolidated subsidiaries, and equity-participated subsidiaries, public data from government departments, internal collection and statistics of the company.

## Report Standards

- *ISO 26000:2010 Guidance on Social Responsibility*
- United Nations - *Global Reporting Initiative (Global Reporting Initiative, GRI) Reporting Standards*
- United Nations - *Sustainable Development Goals (Sustainable Development Goals , SDGs) Corporate Action Guide*
- United Nations - *Climate-Related Financial Disclosures TCFD (Task Force on Climate-Related Financial Disclosures)*
- Chinese National Standard *GB/T 36001-2015 Guidelines for Writing Social Responsibility Reports*
- Economic Department of the Chinese Academy of Social Sciences Corporate Social Responsibility Research Center - *Guidelines for Writing Corporate Social Responsibility Reports in China (CASS-ESG 5.0)*
- Shanghai Stock Exchange - *Guidelines for Environmental Information Disclosure of Listed Companies on the Shanghai Stock Exchange*
- *Guidance on the Application of Self-Regulatory Rules for Companies Listed on the STAR Market of the Shanghai Stock Exchange No. 3 - Continuous Disclosure of Sci-Tech Attributes and Related Matters*

## Confirmation and Approval

This report was approved for release by our company's board of directors on April 20, 2024. The board of directors of the group commits to supervising the content of the report, ensuring there are no false records or misleading statements, and is responsible for the truthfulness, accuracy, and completeness of its content.

## Report Acquisition

The electronic version of this report can be viewed and downloaded from Shanghai Stock Exchange website (<http://www.sse.com.cn>) or our company's website (<http://www.yueanmetal.com>). The Report is published in Chinese, with an English translation. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

# YueAn's 20 Years

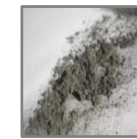
## Company Profile

“Guided by needs of the market and been aiming at the world’s leading standards, we broke through technical barriers step by step and comes to be one of the industrial leading companies ever since our establishment.”



YueAn was established in 2004 in Dayu County, Ganzhou City, Jiangxi Province, and is committed to the research and development of micro-nano metal powder. Our company has a wealth of patented technologies and owes the names of The Provincial Enterprise Technology Center, The Provincial Carbonyl Iron Powder Engineering Research Center. We also participated in the formulation of some national standards and industry standards, and obtains multiple quality certifications. Bringing together expert professors and senior engineers, including 2 State Council grant recipients, we attach great importance to personnel training and have firm cooperations with some top scientific research institutions and universities in China. We have applied our micro and nano powders into industrial and 3C market, and made some breakthroughs in the field of 3D printing. Thus, We are hoping to open a new chapter of the production-learning-research model.

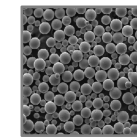
## Product Category



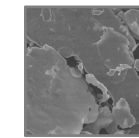
Carbonyl Iron Powder Series



MIM Feeding Series



Atomized Alloy Powder Series



Wave Absorbing Material Series



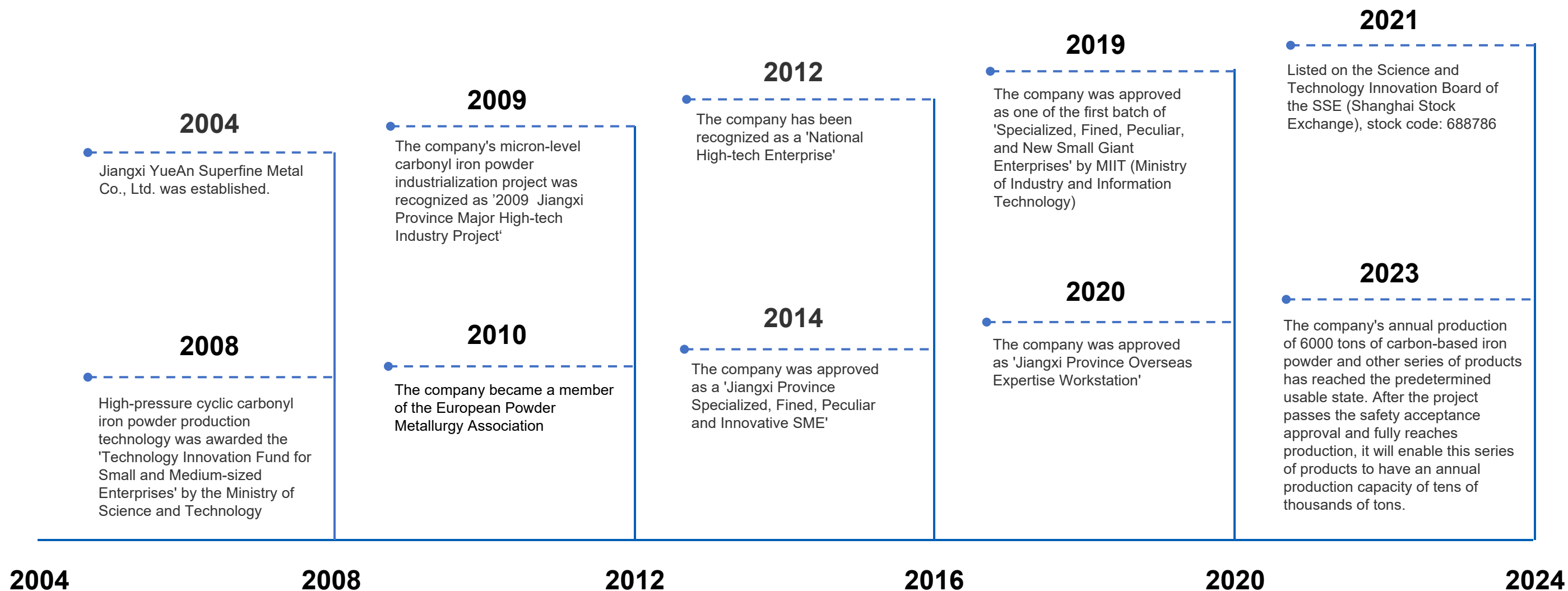
Soft Magnetic Powder Series

## Product Main Applications

- Powder Metallurgy / Metal Injection Molding (MIM)
- Electronic Components
- Microwave Absorption / Stealth Materials
- Diamond Tools / Hard Alloys
- Chemical Catalytic Synthesis
- 3D Printing (Additive Manufacturing)



# Company History



## ESG Vision

Lead New Material Technology  
Drive a Sustainable Future



## ESG Mission

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



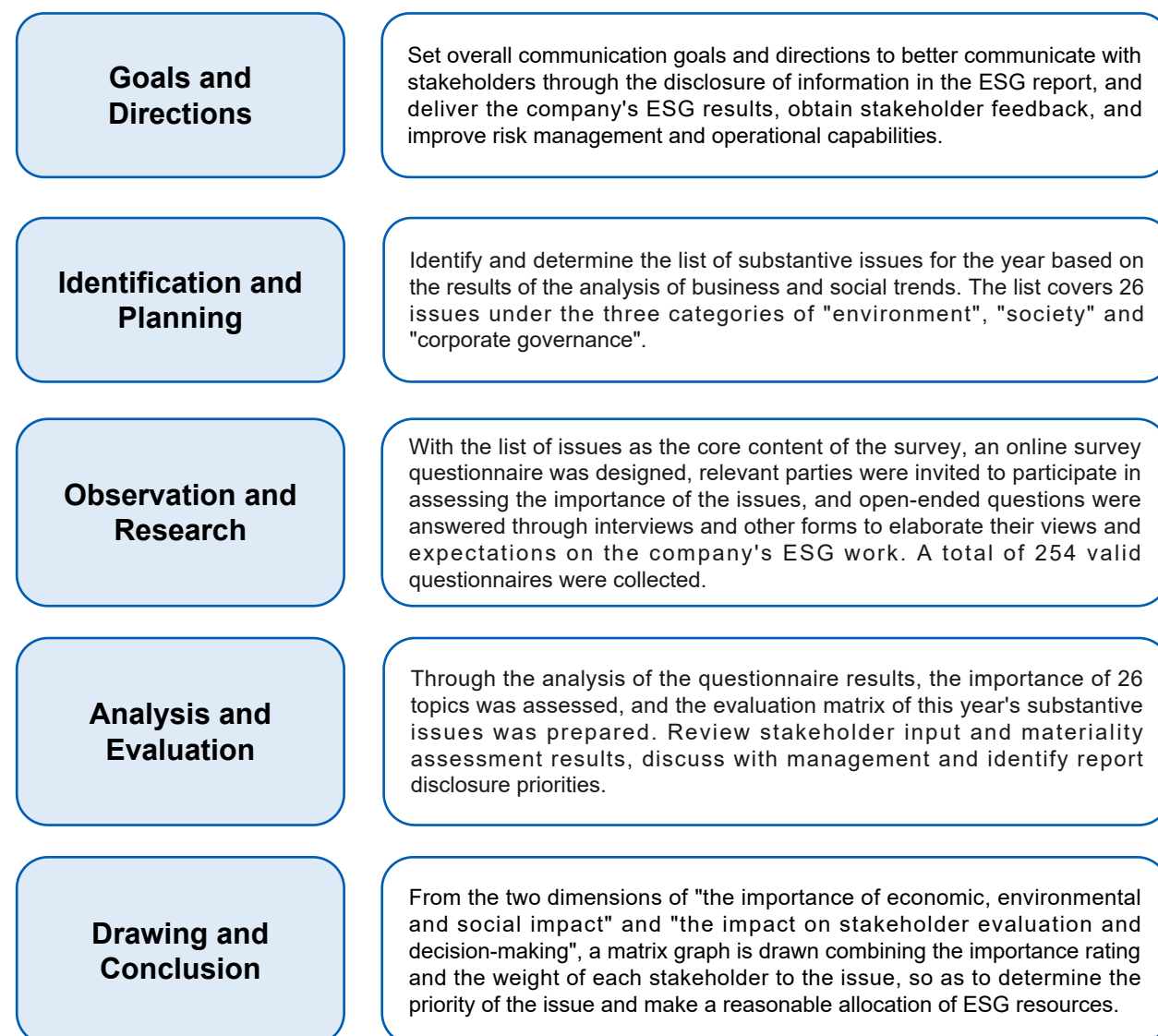
## ESG Core Values

Adhering to the People-Oriented Principle  
Pursuing keen innovation and green development  
Achieve common prosperity for both the enterprise and society

# Assessment of Material Issue








In 2023, we collected feedback and expectations from the company's stakeholders through surveys, visits, and other forms. Combined with the company's sustainable development goals, organization and operation, and economic benefit assessment, we objectively assessed the 26 issues collected and clarified the strategic significance of the issues for the company's long-term development, and formed the following importance matrix and ranking.

## Substantive issues identification methods



## Stakeholder Communication

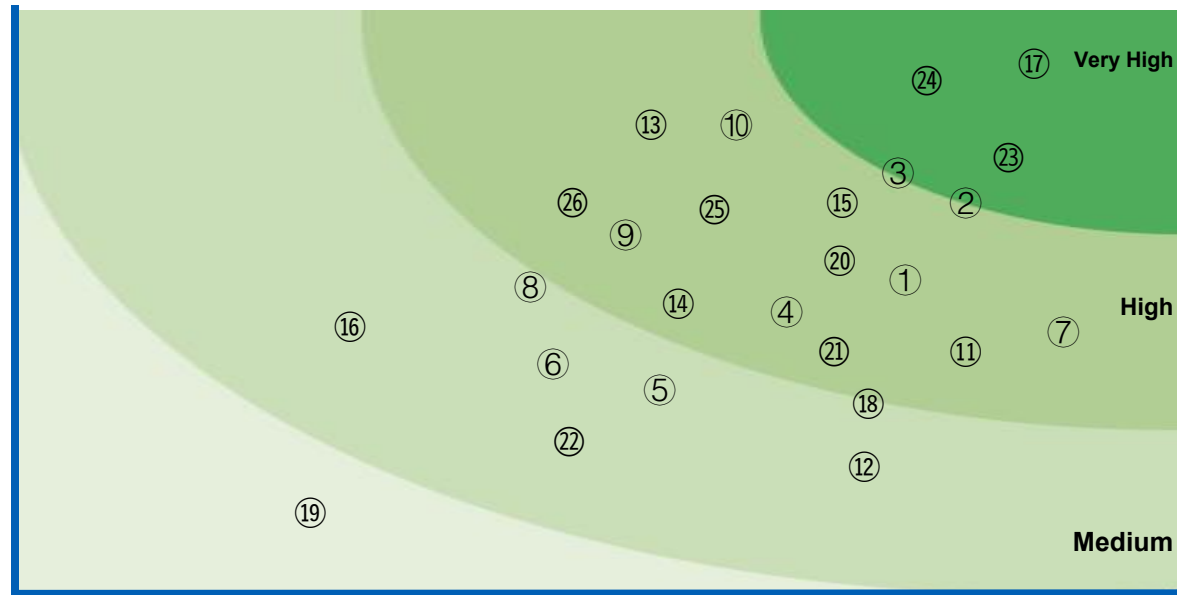
We are committed to understanding and valuing the opinions of all stakeholders. We have identified seven key stakeholders and established open channels of communication with them. Through diverse forms of interaction, we continuously listen and respond to their concerns while working together with all parties to deepen the advancement of ESG issues in practice. In addition, we actively cooperate with all parties to jointly promote the practical implementation of ESG issues and to ensure the depth and effectiveness of these activities.

Key Stakeholders	Issues of Concern	Communication Channels
 Employees	Occupational Health and Safety, Employee Rights Protection, Employee Care, Diversity and Equality, Human Capital Development	Employee Activities, Workers' Congress, Union Activities, Corporate Intranet, Employee Training, Employee Feedback Platform, Employee Satisfaction Surveys, etc.
 Government and Regulation Body	Corporate Governance, Business Ethics and Compliance, Risk Management and Audit, Transparency in Information Disclosure, Intellectual Property Protection, Tax Safety, Climate Change and Carbon Emissions, Energy Management, Water Resource Conservation, Chemical Safety, Ecological Harmony	Institutional inspection, policy implementation, information disclosure, etc.
 Shareholders and Investors	Corporate governance, business ethics and compliance, risk management and audit, information disclosure transparency, clean technology research and development, intellectual property protection, tax safety	Shareholders' meeting, financial reports, ESG reports, performance reports, roadshows, research, conference calls, etc.
 Customers and Consumers	Clean technology research and development, innovative service management, product quality management, product lifecycle management, information security	Product exhibitions, exchange visits, customer research, technical seminars, customer satisfaction surveys, etc.
 Suppliers and Partners	Sustainable Supply Chain, Industrial Cooperation Development, Business Ethics and Compliance	Supplier Management Platform, Supplier Training, Supplier Review, Strategic Cooperation Negotiations, Telephone Communication, Irregular Visits, Industry Exhibitions, Industry Training, etc.
 Media	Ecological Harmony, Environmental Protection Publicity and Education, Local Community Relations	Press Releases, Social Media Communication, Industry Exhibitions, Industry Seminars, etc.
 Community and Public	Local Community Relations, Environmental Management System, Climate Change and Carbon Emissions, Energy Management, Water Resource Conservation, Chemical Safety, Ecological Harmony	Participation in activities, surveys, community volunteer activities, public welfare projects, etc.

# Issue Importance Assessment (Continued)

The impact on stakeholder assessment and decision-making

Material Issue Matrix



The significance of impacts on the economy, environment, and society

Governance		
1. Transparency of Information Disclosure	3. Intellectual Property Protection	6. Business Ethics and Compliance
2. Information Security	4. Corporate Governance	7. Economic Performance
	5. ESG Management	8. Risk Management and Audit

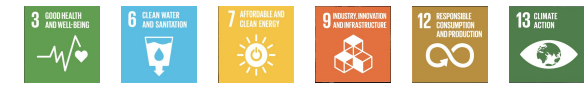
  

Society		
9. Local Community Relations	12. Employee Care	16. Product Quality Management
10. Customer Service Management	13. Employee Rights Protection	17. Clean Technology R&D
11. Industrial Cooperation Development	14. Occupational Health and Safety	18. Sustainable Supply Chain
	15. Diversity and Equality	

Environment		
19. Climate Change	21. Product Lifecycle Management	24. Water Resource Management
20. Carbon Emissions	22. Energy Management	25. Environmental Management
	23. Chemical Product Safety	26. Ecological Harmony

## Green Innovation



“Technological innovation, green development”, we deeply believe that science nurtures green productivity. By engaging in scientific research and development, promoting technological innovation and industrial progress, pursuing sustainable profit growth, we ensure the harmonious coexistence of corporate development and environmental protection.

## Digital Corporate Governance



“Data-driven, scientific governance”. We believe that a clear digital strategy leads to an efficient management system, enhances the quality of decision-making and risk management capabilities, thereby optimizing resource allocation, and accelerating our response to market changes and stakeholder interests. This lays the foundation for the steady progress and long-term success of the enterprise.

## Collaborative Value Chain Synergy



“Customer first, collaborative development”. We meet the needs of our customers with high-quality products, earn their trust, and effectively control costs through meticulous supply chain management. We establish good cooperative relationships with upstream and downstream industry partners, jointly promoting the efficient operation and sustainable development of the entire value chain.

## Sustainable Talent Development

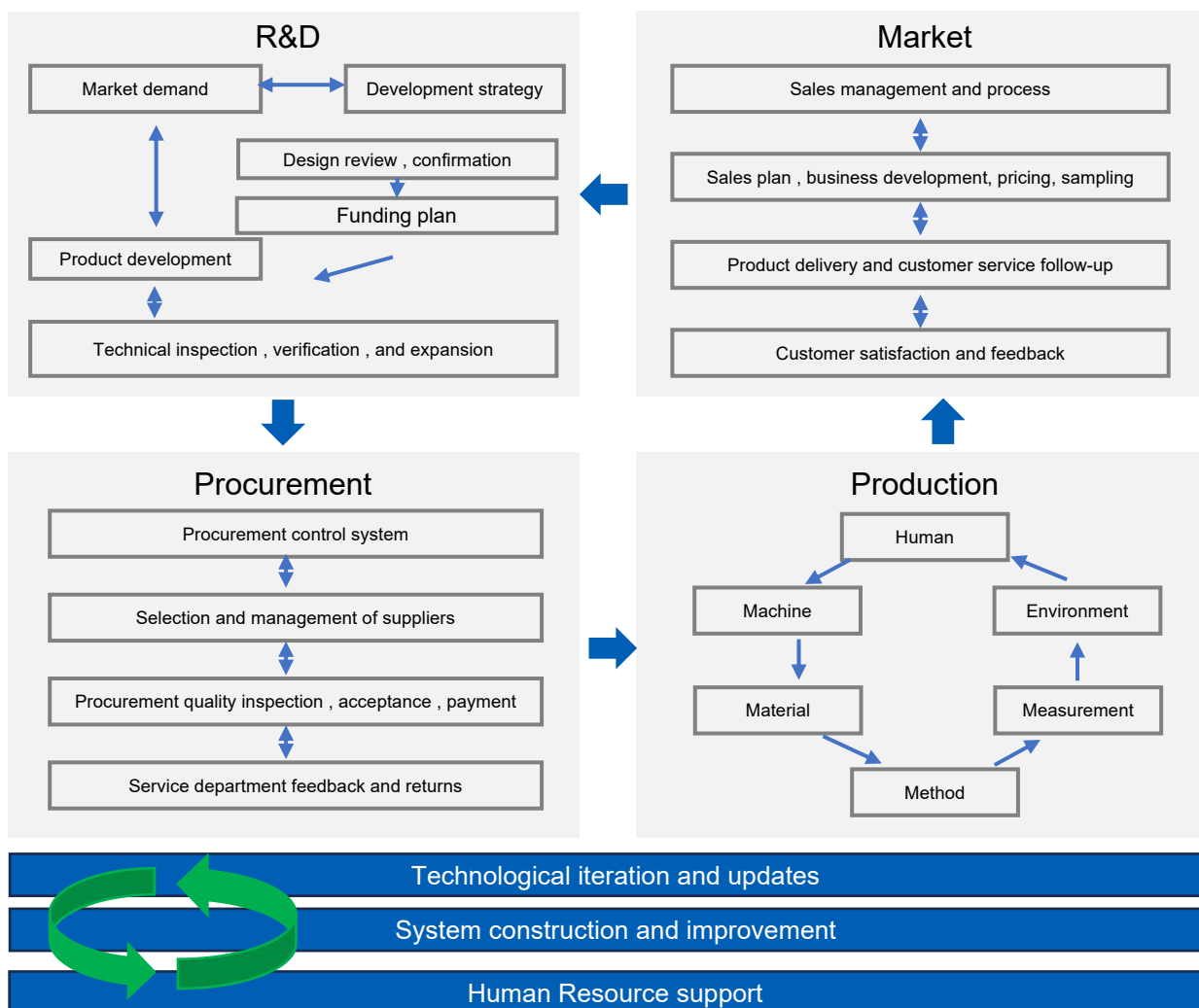


“People-oriented, knowledge revitalization”. We firmly believe in the power of knowledge and education as the key driving force for individual growth, national rejuvenation, and the advancement of human society. Providing equal educational opportunities for everyone, making knowledge an important tool for promoting social equity, and cultivating talents who can meet future challenges are the cornerstones for promoting our sustainable development and the harmonious progress of society.



# ESG Strategy

As a pioneer in the domestic carbonyl iron powder industry, we are driven by market demand and guided by technological innovation and research and development. With a robust quality inspection system, we strive for comprehensive enhancements across the procurement, production, and sales industry chain to maintain an absolute competitive advantage in specialized applications. In 2023, we continuously updated our existing technology to ensure real-time integration of market demands and customer feedback into our value chain while consistently improving our R&D capabilities and quality systems to achieve a value-added closed loop within the industrial value chain.



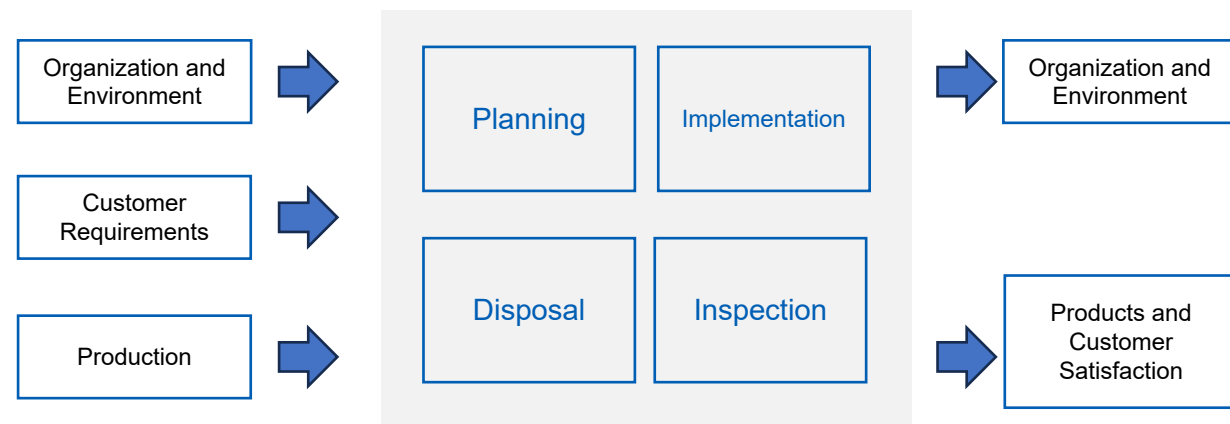
We actively respond to national policies and establish a dedicated task force to mitigate carbon emissions. We adopt a preventive-first and comprehensive prevention and control environmental protection strategy, implementing comprehensive management from industrial wastewater, waste gas to waste residue, with an emphasis on maintaining environmental protection facilities. In pursuit of this goal, we have implemented an environmental target responsibility system, with the environmental protection department taking the lead in overseeing the company's environmental protection efforts. Regular training sessions on environmental protection technology are conducted to enhance both production areas and surrounding environments. We strictly adheres to relevant regulations for ensuring the safe management of hazardous materials. We firmly believe that every unit and individual has the right to work and live in a clean environment while also assuming the responsibility of protecting it as part of our commitment towards achieving environmental social responsibility.

During the reporting period, our company implemented strategies to reduce organizational carbon emissions by focusing on two key areas: upgrading outdated energy equipment and promoting energy-saving practices among employees. Additionally, environmental protection personnel were assigned to monitor and record real-time carbon emissions. We also engaged in discussions with the personnel department to incorporate strict control of organizational carbon into performance assessments. As a result of these efforts, a significant reduction of 297.65 tons of carbon dioxide emissions was successfully achieved.

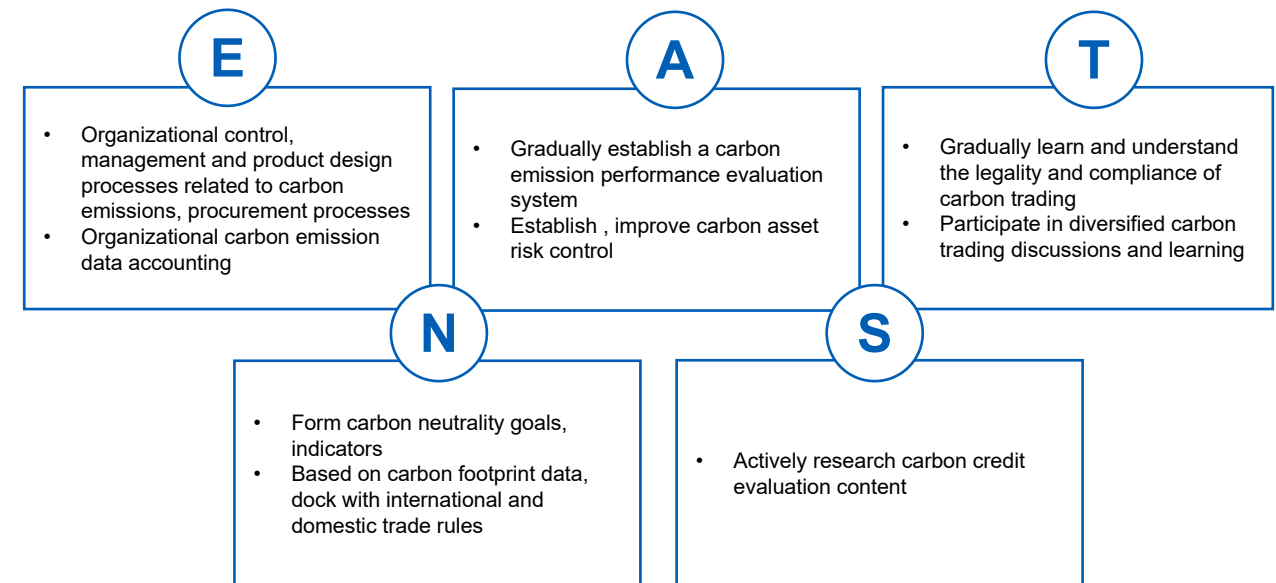
# ESG Management and Planning

“Building a green factory is our unwavering goal. We draw up plans and systematically progress towards waste resource utilization, clean production, low-carbon energy, intensive land use, and non-toxic raw materials.”

## Carbon Management Rules



## Carbon Management System



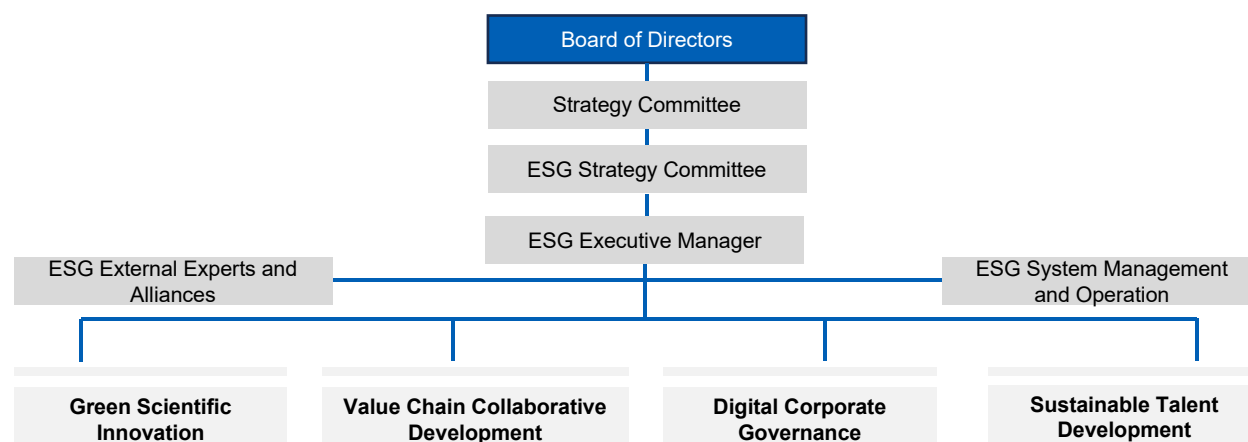
## Our Goals

<p><b>Greenhouse Gas Emission Reduction Targets</b></p> <p>With 2023 as the base year, to reduce carbon emission intensity in 2030 by <b>30%</b></p>	<p><b>Energy Consumption Reduction Standards</b></p> <p>With 2023 as the base year, to reduce energy consumption intensity in 2030 by <b>30%</b></p>	<p><b>Water Conservation Targets</b></p> <p>With 2023 as the base year, to reduce water use intensity in 2030 by <b>40%</b></p>	<p><b>Waste Management Goals</b></p> <p>Commitment to achieve hazardous waste production in 2030 by <b>"Zero Landfill"</b></p>
------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------

# ESG System

“According to the ESG strategic system, an organizational structure with decision-making, execution, and coordination has been formed to effectively support the implementation of YueAn ESG strategy.”

During the reporting period, we gradually established an ESG strategic system, designed the operating model according to the actual situation of the company, including but not limited to the existing organizational structure, company size, strategic needs, etc., and conducted a trial operation of this organizational structure.



## Board of Directors

The Board of Directors is the decision-making body, they are responsible for making decisions on relevant major environmental, social and governance issues and topics, as well as reviewing the company's annual Environmental, social and Governance (ESG) report.

## ESG Strategy Committee

The company's ESG Strategy Committee is responsible for researching and formulating the company's Environmental, social and Governance strategies. The ESG Strategy Committee reports to the Board of Directors and is accountable to the Board of Directors.

## ESG Manager

The ESG Manager is responsible for formulating environmental, social and governance strategic planning and objectives, as well as establishing governance structures and goal setting, coordinating and promoting the implementation of projects. For external publicity content, the ESG Manager not only controls the quality, consistency, and continuity of disclosed information, but also guides and promotes the establishment of the company with ESG external experts and alliances.

## ESG External Experts and Alliances

Led by the ESG manager, responsible for developing the management process of ESG information disclosure, disseminating ESG-related information on the official website and official WeChat public account, as well as engaging in communication and exchange of ESG information with external stakeholders. The Office of the Board of Directors is specifically accountable for organizing and coordinating communication and engagement with external capital parties, research institutions, rating agencies, and media outlets. Additionally, it facilitates relevant departments and personnel within the company to establish an ESG alliance with external entities to promote the company's value system related to environmental, social, and governance aspects.

## ESG Operating System

Led by the ESG manager, the company's relevant departments and personnel interpret global ESG-related standards and updates, internally promote and train on ESG development content; drive the implementation of the ESG system, identify risks and continuous improvement; organize the output of ESG reports.



# Industrial Strategic Planning

“Waste resource utilization is our key strategy. Jiangxi Yueli Technology Co., Ltd. and Ningxia YueAn New Material Technology Co., Ltd. are important milestones for YueAn, and they represent our unwavering path of green development.”

## Jiangxi Yueli Technology Co., Ltd.

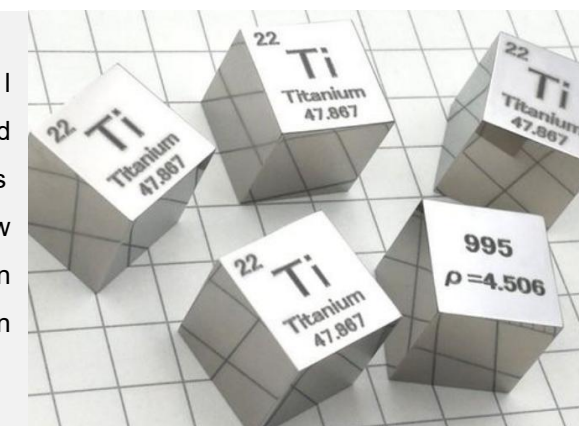
With the first batch of power batteries put into the market ushered in the "tide of retirement", the treatment of lithium batteries has become the focus of attention of the industry and environmental protection. Jiangxi Yue Lithium Technology Co., Ltd. is our newly established equity company in 2023. It develops a highly selective one-step extraction of lithium technology, aiming to solve the core pain points such as low recovery rate, high cost and environmental pressure in the recycling process of lithium batteries, and contribute to the sustainable development of the economy and the harmonious coexistence of the environment.



- The core team of this company comes from well-known research universities such as Tsinghua University and Beijing University of Chemical Technology, and is one of the most experienced research teams in battery recycling in China. The team has decades of experience in the fields of lithium extraction from salt lakes and lithium battery recycling.
- The main core technology of this company has applied for patent protection, and the team of Beijing University of Chemical Technology and other universities continue to carry out research and development work, the first production line is currently in the commissioning stage;
- In the next three years, the company will go all out to root in the industry and plans to put into large-scale production in 2025.

## Ningxia YueAn New Material Technology Co., Ltd.

Ningxia YueAn New Material Technology Co., Ltd., a wholly-owned subsidiary established this year, mainly uses ilmenite instead of sponge iron as raw materials for the production of carbonyl iron powder, while utilizing technology extension for the refining of valuable metals.



During the reporting period, this company made significant breakthroughs in the process of producing carbonyl iron powder by-product high titanium slag with ilmenite as raw materials, completed the industrialization test, the product has been sent to the downstream manufacturers for testing, and the construction of the demonstration line project is in full gear planning.

The new process uses ilmenite as raw material, and the company is studying to increase the content of titanium dioxide (TiO<sub>2</sub>) in the remaining titanium slag after iron extraction, and has explored a new route of ilmenite enrichment.

In the future, our company will anchor the innovation of waste resources and new material technology, strive to achieve breakthroughs in the field of environmental protection materials and sustainable science and technology, and provide continuous power and support for related industries. We are committed to promoting the green transformation of the industry under the background of carbon peak and carbon neutrality, constantly explore the frontier of science and technology, and achieve a triple win-win situation of social, environmental and economic benefits.

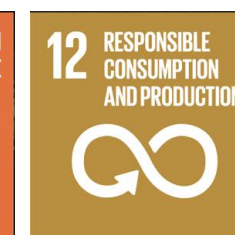


# 01 Green Innovation

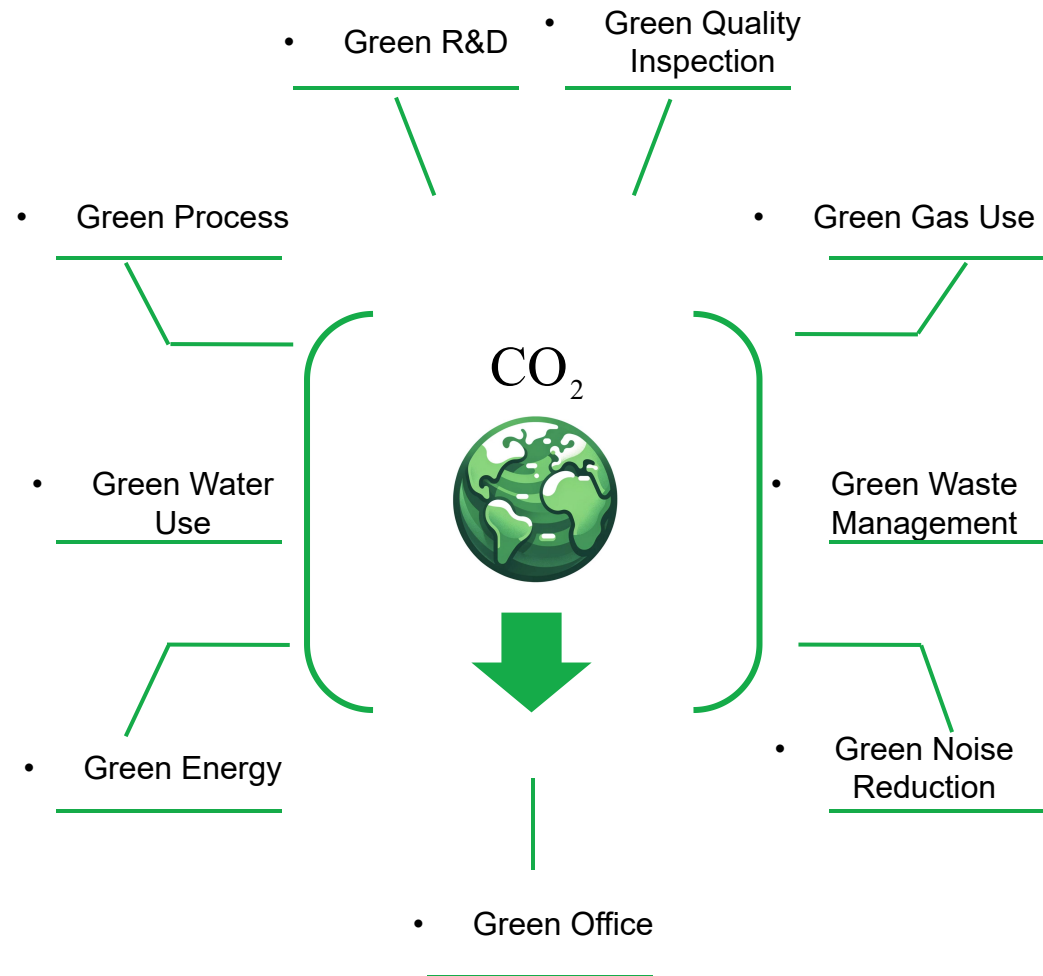
## Technological Innovation, Green Development

“We deeply believe that science nurtures green productivity. By engaging in scientific research and development, promoting technological innovation and industrial progress, pursuing sustainable profit growth, we ensure the harmonious coexistence of corporate development and environmental protection.”

- Green R&D
- Green Water Use
- Green Waste Management
- Green Quality Control
- Green Energy
- Green Noise Reduction
- Green Process
- Green Gas Use
- Green Office



# Green Innovation



Our goal is to pursue sustained, healthy profitability, without sacrificing the environment. In our business model, environmental protection is no longer an additional obligation, but is integrated into every step of decision-making. The company understands that long-term corporate prosperity and environmental sustainability are interdependent..

We have established a multi-dimensional green strategy, starting from nine major directions: green R&D, green quality inspection, green processes, green water use, green energy, green gas use, green waste removal, green noise reduction, and green office, actively creating a green factory and green ecology.

In our operations and management, green practices are integrated throughout. We start with green R&D, striving to reduce resource consumption during the product design phase, and are committed to using environmentally friendly materials. In green quality inspection, we ensure the minimal environmental impact of our products during production through strict environmental standards. Green processes guide us on how to efficiently use resources, reduce waste, and implement clean and sustainable methods during production. Green water and energy strategies aim to minimize the use of water and energy to the greatest extent, and promote the use of renewable energy and recycling systems. We also place equal importance on green gas usage, reducing greenhouse gas emissions through optimizing combustion technology and using low-carbon fuels. Green waste disposal and noise reduction strategies ensure that waste is properly treated, noise pollution is reduced, and the quality of life is improved. Finally, green office practices emphasize the importance of our daily work environment, encouraging employees to take energy-saving measures, reduce paper use, and promote electronic documents, etc.

Our green strategy is not only reflected in production and operations, but is also a comprehensive corporate culture and spirit. We actively build green factories and green ecology, not only limited to our own sustainable development, but also to influence and encourage our partners, customers, and communities to participate, together creating a greener future. Through these comprehensive measures, we believe we can contribute to the sustainable survival of the earth while continuously improving corporate benefits.



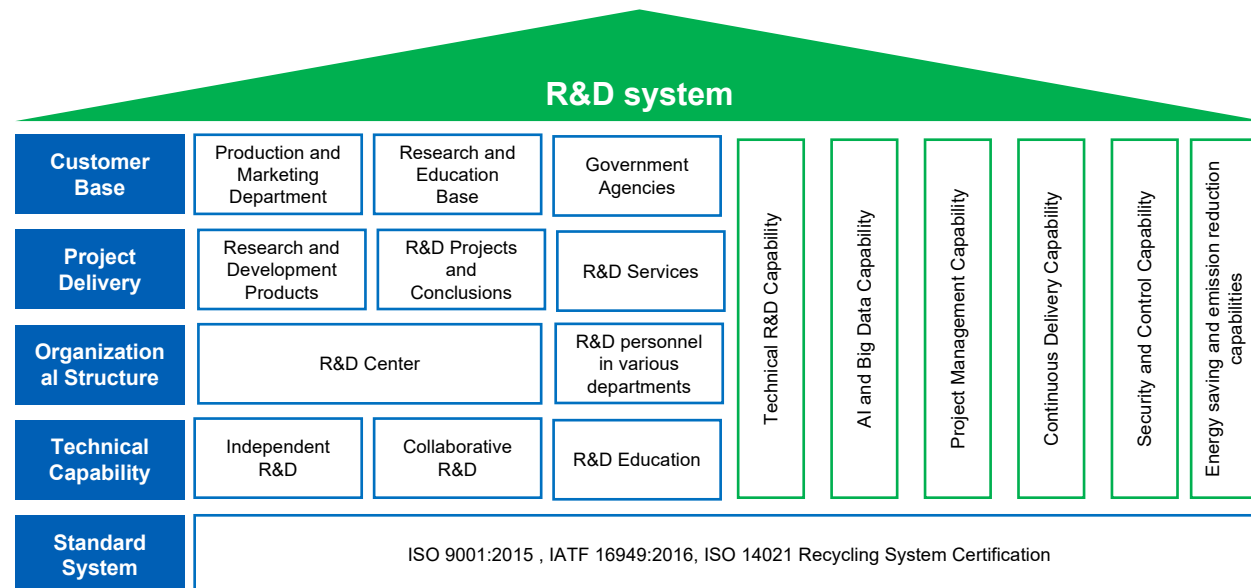
Environmental Management System Certificate, ISO14001:2015

# Green R&D

“We adhere to a problem and demand-oriented approach, striving for the organic integration of production, learning, and research. Our focus is on transforming scientific and technological achievements, consolidating innovation in this field, and laying the cornerstone for low-carbon development.”

Since our establishment, we have placed great emphasis on the construction of our research and development system, continuously enhancing and refining our research and development capabilities. Our dedicated teams not only serve production but also consistently deliver cutting-edge research and development products, projects, and services to major research institutions and government agencies. We strategically invest in new product lines, innovative processes, and novel applications while progressively achieving a harmonious integration of independent innovation with extensive industry-university-research cooperation.

In 2023, the company will enhance the big data application skills of the research and development team, as well as refine the management of research and development project execution processes to optimize efficiency. Simultaneously, it will further strengthen ESG integration and establish assessment mechanisms centered around energy conservation and emission reduction. Regarding specific technologies, advanced tools like computer vision will be employed to dynamically align research and development directions with customer needs and feedback. Additionally, rigorous monitoring of production processes and product quality shall be maintained. Furthermore, a mechanism for sharing project research and development data with end customers is being gradually established to ensure prompt response to customization requirements.



During the reporting period, the company applied for 5 domestic invention patents, obtained authorization for 1 PCT US invention patent, received authorization for 2 domestic invention patents, and accumulated a total of 34 patent authorizations.



## Case 1

**High Pressure Resistant High Impedance Iron Silicon Chromium Magnetic Powder Core and Its Preparation Method**  
 This patent enables the iron silicon chromium magnetic powder to have higher magnetic permeability, DC superposition characteristics, and rust prevention effects, meeting the development requirements of one-piece molding inductors for miniaturization, high magnetic permeability, and high power. At the same time, on the product application end, it can reduce the comprehensive energy consumption of the equipment by 2%-15% .

## Case 2

**A Carbonylation Method for Processing Sand Ilmenite to Produce Carbonyl Iron Powder and Titanium Slag**  
 Using sand ilmenite as raw material, carbonyl iron powder and titanium slag are produced simultaneously, and industrial-scale mass production is achieved. This method improves the conditions of the reaction, eliminating the need for a catalyst to achieve high reaction efficiency, and solves the problem of powder material clogging equipment and pipelines during the carbonylation synthesis process, addressing the bottleneck restricting industrial production.

## Case 3

**A method for preparing carbon nanotubes from iron pentacarbonyl fluid as raw material and its preparation process**  
 The method of preparing CNTs using iron pentacarbonyl fluid as raw material makes our carbon nanotube preparation process richer, with a larger number of carbon nanotubes, uniformly distributed pores, and consistent tube diameters, thereby achieving the effect of improving the quality of carbon nanotubes. Compared with the conventional carbon nanotube production method, this method directly uses iron pentacarbonyl as the raw material, fits the company's advantages, and reduces raw material consumption by 20%.

# Green R&D (Continued)

Process	Collection and Summary	Conception and Design	Goals and Planning	Execution and Implementation	Testing and Improvement	Pilot and Mass Production
Step	<ul style="list-style-type: none"> <li>Collect and summarize national ESG guidelines , policies, ensuring the company's development is in step with the nation;</li> <li>Collect and understand the feedback and expectations of various business departments , deeply understand the green R&amp;D needs of each department.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct market trend research on the project, determine ESG 's various influences;</li> <li>Determine the overall direction and scope of the R&amp;D project;</li> <li>Prioritize R&amp;D projects based on their importance and feasibility.</li> </ul>	<ul style="list-style-type: none"> <li>Execute the project according to the project plan , adjust resources and allocation according to the project progress;</li> <li>Supervise and adjust the project according to the real-time feedback from the marketing department and the quality inspection department ;</li> <li>Promote project progress according to ESG research and development indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct feasibility analysis on selected ESG R&amp;D projects , quantify ESG impacts;</li> <li>Allocate resources and budget for ESG projects, ensuring the ESG return on investment;</li> <li>Define indicators for ESG projects.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct periodic checks and improvements on projects based on ESG project indicators ;</li> <li>Carry out final acceptance of the project based on project indicators , issue pilot test reports and implementation suggestions.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the pilot test report , feasibility analysis ESG standards to conduct product pilot , establish pilot project quality indicators, analyze and plan for mass production of the product;</li> <li>Plan and implement mass production according to pilot test results.</li> </ul>

We have incorporated the ESG concept into our R&D system and processes, established ESG-related indicators at each stage of the R&D projects, and implemented rigorous screening and approval procedures for 30 projects. Additionally, we have conducted extensive research in various areas such as atomized powder alloy materials, wave absorbing materials, additive manufacturing materials, and low-cost carbonylation technology, resulting in significant research outcomes. In terms of high-value special carbonyl metal powder materials application direction, we are intensifying our efforts to explore the application potential of special metal powders by increasing investments in fundamental studies on carbonyl metals and soft magnetic powders. Furthermore, we are actively serving the supporting supply chain for specialized applications scenarios involving metal powders like 3D printing additive manufacturing, intelligent terminals, electromagnetic shielding systems, magneorheological fluids as well as microwave absorption and food/drug additives to meet emerging demands from high-end markets.



# Green R&D (Continued)

## Quality inspection project

### Background

The performance of the hinge directly affects the folding gap, crease, and lifespan of the currently popular folding screen mobile phones. To make the phone lighter and thinner, the material used for the hinge must have ultra-high strength while being compatible with good toughness, to ensure that the phone screen does not deform or break during the repeated folding process.

### Project Initiation

After conducting a comprehensive analysis of the customer's requirements, we have clarified the product expectations and specifications. The research and development team promptly determined the initial process route for manufacturing high-strength steel raw materials. By leveraging our technical expertise in metal injection molding, we have defined a quality plan, control objectives, and improvement measures for the research and development process through continuous optimization of composition as well as exploration and testing of heat treatment processes.

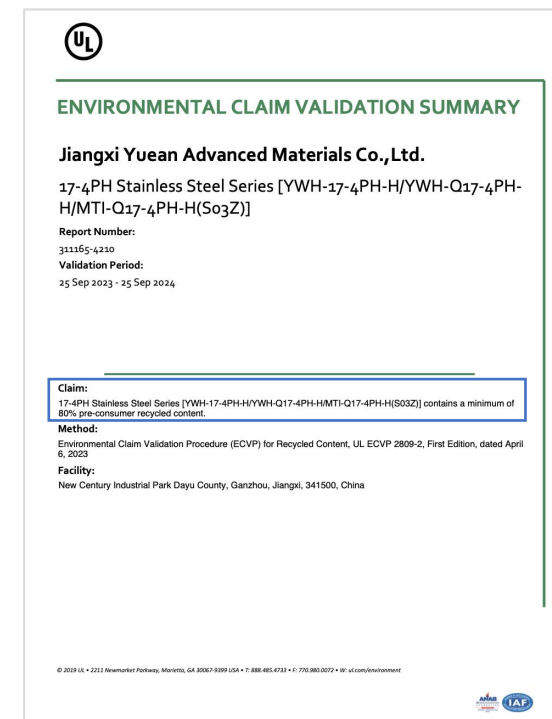
### Achievements

The metal injection-molded high strength steel material, which has successfully broken through the yield strength and elongation, has been applied in the folding screen mobile phone hinge.



Through strict control over design rules, manufacturing processes, production flows, and testing inspections, we enhance the quality of our products, improve their interference resistance, and maintain high levels of yield and stability in production. At the same time, the company's strict quality control system ensures the consistency and reliability of our products, with performance quality reaching the top level domestically and internationally, possessing strong market competitiveness. During the reporting period, our products made from recycled steel have been certified by authoritative international certification bodies with a recycled content >80%.

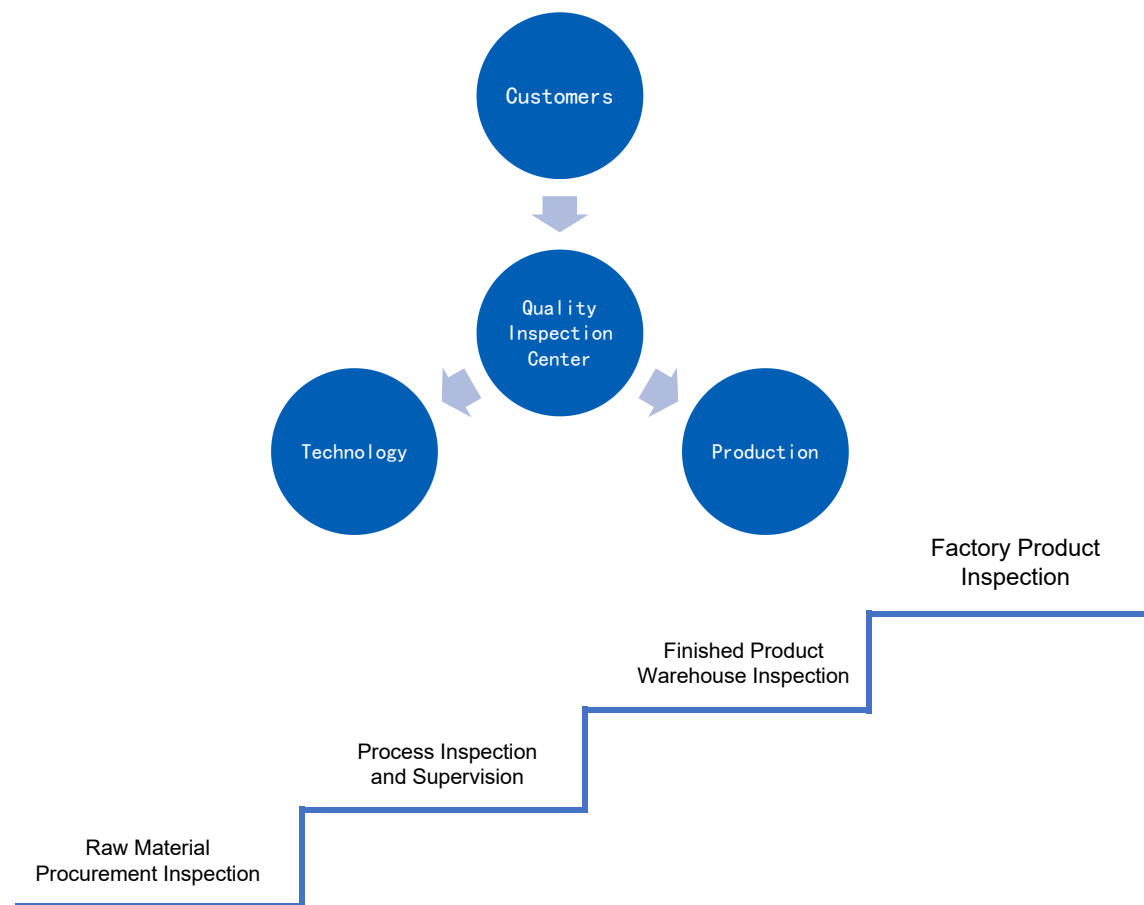
- In May 2006, passed "ISO9001:2015 Quality Management System Certification";
- In June 2018, passed "IATF16949:2016 Automotive Quality Management System Certification";
- In September 2023, passed the "ISO14021 Recycling System Certification".



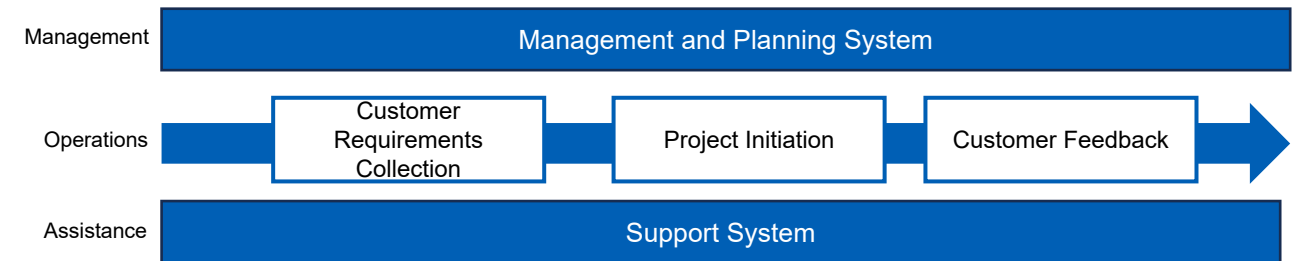
The company's products 316L, high-strength steel, 17-4PH and other 5 products have passed the authoritative international certification body identified the regeneration content of >80%

# Green Quality Control

“We firmly establish a ‘zero defect’ consciousness, adopting a three-step quality management approach: prevention before the fact, control during the process, and verification after the fact, playing a role in green inspection and supervision throughout the entire process, comprehensively ensuring product quality.”



We consistently prioritize customer satisfaction, strive for products with impeccable quality, and unflinchingly meet all work process requirements. Our primary focus is on prevention rather than post-inspection, as we establish quality control points at key steps in the process and address any potential weaknesses or vulnerabilities. Additionally, we conduct thorough quality follow-up checks to ensure that each step adheres to the highest standards.



In compliance with the Product Quality Law of the People's Republic of China, we establish well-defined operating standards and procedures aligned with our management objectives to support the functioning of our quality inspection system. A dedicated team of quality inspectors is assigned to oversee the core processes in accordance with these objectives, optimizing production processes to enhance efficiency and product quality, as well as other critical quality capabilities.

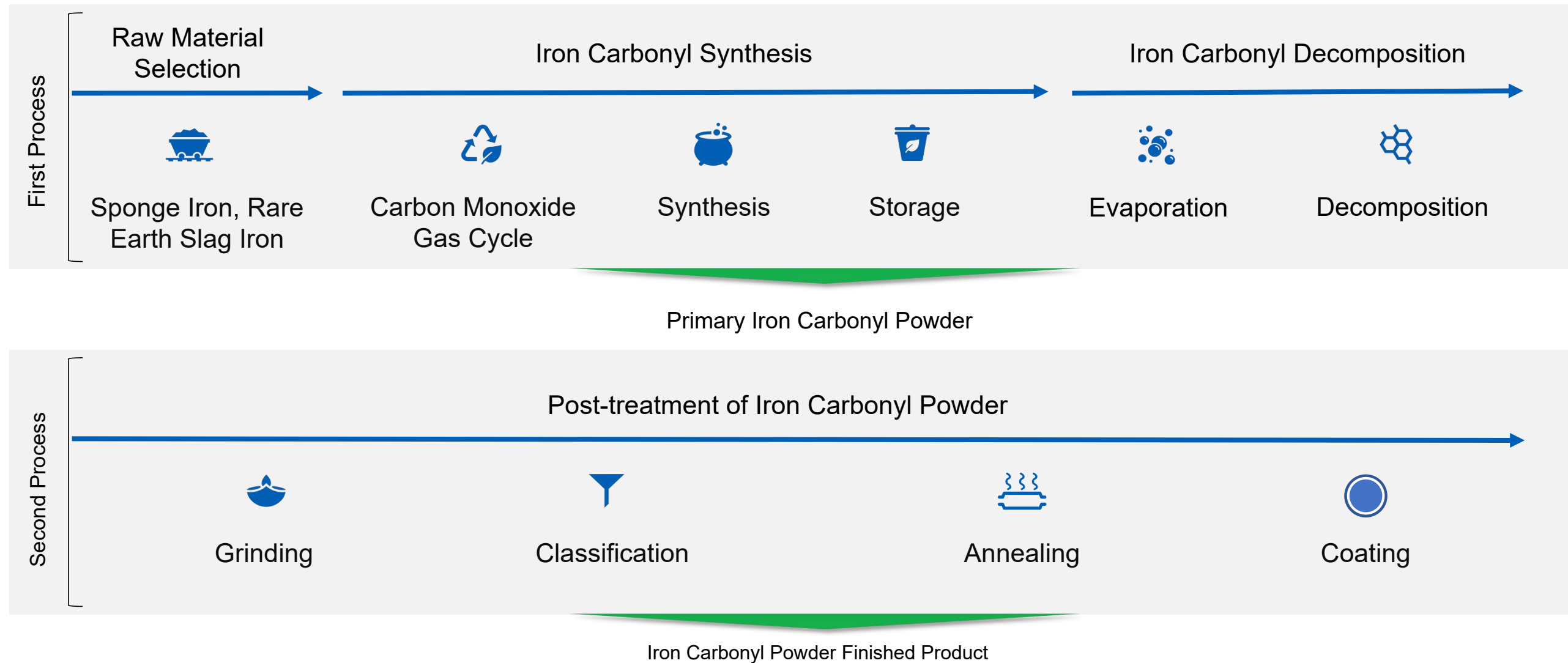
We develop comprehensive standard operating procedures and meticulous guidelines to ensure consistency and accuracy in all tasks performed. Detailed instructions are provided for specific assignments, enabling every employee to operate uniformly based on standardized protocols and quality guidelines. These standard operating procedures outline specific methods and steps for task execution, thereby reducing operational discrepancies, improving work efficiency, ensuring process standardization and replicability – all crucial factors in maintaining effective quality control measures while adhering to regulatory compliance requirements.

Following our established quality management system, we exercise control over the entire product lifecycle encompassing design, production, sales, and management activities. We implement product sampling inspections throughout this process while strictly adhering to the findings outlined in the quality inspection reports during storage and shipment operations. Simultaneously, our company has established norms for handling customer complaints promptly by receiving feedback from customers in a timely manner. This ensures that any grievances or suggestions raised by customers are appropriately addressed – minimizing or eliminating any adverse impact caused by defects or potential hazards on their experience – effectively safeguarding their interests.

Preventive Measures	Communicate in detail with customers, understand their requirements, and clarify plans including personnel, equipment, environment, inspection, and raw material supply.
Control During the Process	Control key points of quality during the production process, set quality control points at critical parts or weak links, and carry out quality tracking inspections simultaneously.
Post-Event Verification	Standardized operating standards, strict quality control to prevent the flow of defective products out of the company, aiming for zero defects.

# Green Factory

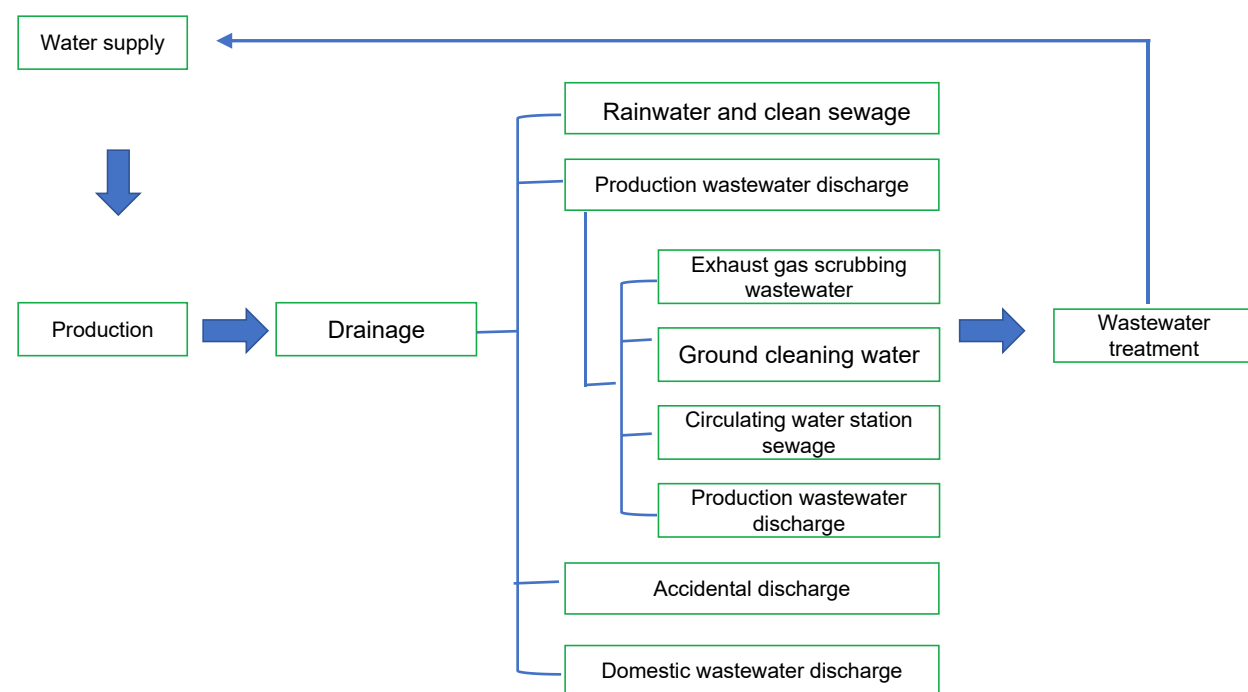
“Based in the field of micro-nano metal powder materials, we are focusing on the development direction of the world's cutting-edge new green materials, emphasizing environmental impact and resource efficiency, and building a manufacturing system centered on green.”



By implementing a clean production management system, we aim to enhance resource utilization efficiency and promote clean production to reduce and avoid the generation of pollutants, protect the environment, ensure human health, and promote the sustainable development of the economy and society. We emphasize reducing pollution at the source, using clean energy and materials, improving production technology and management, comprehensively raising employees' awareness of clean production, and encouraging full participation to ensure the effective implementation of clean production measures and projects. At the same time, units and individuals who have made significant achievements in clean production are rewarded, jointly promoting the sustainable progress of the company and society .

# Green Water Use

"Water is one of the most precious resources for humanity, 'separation of rainwater and sewage, clear and polluted water' is the principle of our designed drainage system, the utilization of water resources forms a relatively closed loop from production to production"



Our factory's water system design covers three major aspects: water supply, drainage, and wastewater treatment. We design and construct a segregated water system based on the principle of 'separation of rainwater and sewage, clear and polluted water', comprehensively recycling and reusing production water from factory to factory, maximizing our utilization of water resources.

The production and domestic water supply pipelines within the factory area are arranged in a branching pattern, buried underground, with the production and domestic water pipelines of each building structure drawn from the branching network. The drainage system is divided into four parts: production wastewater drainage system, domestic wastewater drainage system, rainwater and clean drainage system, and emergency drainage system. Wastewater including tail gas scrubbing wastewater and ground cleaning water is treated at the factory's production wastewater pretreatment

station. The circulating water station's sewage and the steam generator discharges clean saline wastewater, which is directly discharged to the park for treatment and reuse. The emergency water (including fire drainage) in the new installation area is collected in the emergency pool, then connected to the production sewage network, and pre-treated together with the production sewage.

During the reporting period, approximately **80%** of our water use met recycling requirements.

The factory is equipped with a 2000 cubic meter wastewater treatment pond, with one in use and one as a backup during normal production. The wastewater treatment involves the addition of flocculants and ammonia removers. After chemical flocculation reaction and sedimentation treatment, the water meets standards and is recycled with a small amount discharged. Since 2017, the company's wastewater discharge outlet has been connected to the industrial park's sewage treatment plant, and an online monitoring station has been established. Online monitoring equipment has been installed and connected to the county, city, provincial, and national environmental protection platforms, allowing real-time data upload. The monitoring equipment includes PH meters, data acquisition instruments, ammonia nitrogen analyzers, and COD analyzers. On-site, there are manual PH meters, manual ammonia nitrogen analyzers, and manual COD analyzers, ensuring strict real-time monitoring and control of wastewater discharge.



## Green Gas

“We are committed to green and environmentally friendly production through the efficient treatment of molten exhaust gases and atomized dust, ensuring green production is our firm commitment to atmospheric protection.”

We are committed to green and environmentally friendly production, and the fine management of molten exhaust gases and atomized dust is particularly important. These gases, mainly composed of metal dust, are efficiently captured through advanced hood technology and treated with high-performance bag filters, ensuring their safe and harmless discharge into the atmosphere.

Bag dust removal equipment uses its fine woven or felted filter cloth as a filtering medium, cleverly capturing the dust-laden gas flowing through it. In this process, larger and heavier dust particles are drawn by gravity to settle in the dust hopper, while finer dust particles are effectively intercepted during their journey through the filter cloth. This scientific and meticulous processing procedure ensures that our production process has the minimal impact on the environment, demonstrating our profound understanding of and firm commitment to environmental protection.



During the reporting period, we utilized our influence to lead the joint progress of partners up and down the industrial chain. In collaboration with Ganzhou Yuelong New Materials Co., Ltd., we co-invested in Jiangxi Yuegan Gas Co., Ltd., providing comprehensive green gas solutions for several leading enterprises in various industries. This effectively helped our clients reduce operational costs, improve economic benefits, and simultaneously promote further growth in industrial value.

## Green Energy

“We actively adopt green photovoltaic power generation and, through an efficient electricity management system of peak, flat, valley, and sharp usage, gradually achieve comprehensive green environmental protection goals in energy use.”

During the reporting period, we actively explored and expanded the utilization of renewable energy by successfully implementing two photovoltaic projects in collaboration with Beijing ZidongHua Energy Technology Co., LTD. These power generation initiatives have been fully operational since 2023. One of the rooftop BIPV photovoltaic power generation projects adopts a "self-use, surplus electricity online" model to ensure efficient operation of the roof power station.

Simultaneously, we implemented a comprehensive range of measures for managing electricity consumption during peak, flat, and valley periods, strictly regulating scheduling and control to optimize energy efficiency. In partnership with Beijing ZiDongHua Energy Technology Co., LTD., we have developed a scientific and rational power consumption strategy that incorporates effective energy-saving measures during peak demand periods while allowing for reasonable increases in power consumption during low-demand periods to achieve maximum cost efficiency.



## Green Waste Management

“We adopt environmentally friendly methods to reduce, treat, and recycle waste, supporting the circular economy and alleviating environmental burden.”

The solid waste produced mainly includes iron carbonyl synthesis reactor-generated iron oxide slag and the dewatered cakes and sludge from the production wastewater pretreatment station. We adopt a 3R (Reduce, Reuse, Recycle) strategy to classify waste and recycle reusable waste, such as waste iron slag, continuously making breakthroughs in processes to achieve Zero Waste (Zero Waste).



Reduce



Reuse



Recycle

## Green Noise Reduction

“We use environmentally friendly technologies and methods to reduce noise pollution and protect the auditory environment.”

The company's noise sources mainly come from machinery and aerodynamics, etc. The company reduces the impact of noise on the surrounding environment by optimizing layout settings, optimizing process parameters, choosing equipment with lower noise, and constructing soundproof rooms or soundproof walls.

## Green Office

“We pay close attention to details, value and seize every possibility of carbon reduction, deepen environmental awareness, and form a consistent carbon reduction consensus throughout the company.”

By purchasing 4 new energy vehicles, we reduced the use of 16,352 liters of gasoline during the reporting period, thus reducing emissions by 39.25 tons of carbon dioxide equivalent.

Phasing out diesel boilers and replacing them with electric heating boilers resulted in a reduction of 6.712 tons of diesel usage during the reporting period, leading to an overall decrease of 20.14 tons of carbon dioxide equivalent emissions.

The optimization of air conditioner operations and replacement of some first-level low-energy air conditioners resulted in a decrease in electricity consumption by 16,500 KWH and emissions by 16.45 tons of carbon dioxide equivalent during the reporting period.

The department procured 5 electric forklifts as a gradual replacement for fuel-powered forklifts, along with electric fire trucks to reduce diesel consumption by 1.68 tons, resulting in emission reductions of approximately 5.05 tons of carbon dioxide equivalent during the reporting period.

Energy-efficient light bulbs were installed across departments, reducing electricity consumption by 1,550 KWH and emissions by 1.55 tonnes of carbon dioxide equivalent during the reporting period.

The temperature settings for air conditioning systems across all departments were adjusted to maintain temperatures at 26 degrees celsius in summer and 19 degrees celsius in winter, resulting in a reduction in electricity usage by 1150 degrees and emission reductions totaling 1.15 tons of carbon dioxide equivalent.

We implemented employee transportation buses within relevant areas to reduce gasoline usage by approximately 1045 liters and lower emissions by 2.51 tons of carbon dioxide equivalent during the reporting period.

Employees are encouraged to switch to new energy vehicles and motorcycles as part of carbon emission reduction efforts.

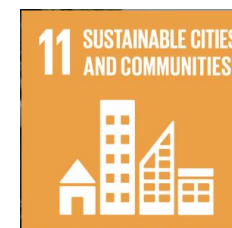
Solar street lights are gradually being installed as replacements for the factory's conventional streetlights.

# 02 Digital Corporate Governance

## Data-Driven, Scientific Governance

“We believe that a clear digital strategy leads to an efficient management system, enhances the quality of decision-making and risk management capabilities, thereby optimizing resource allocation, and accelerating our response to market changes and stakeholder interests. This lays the foundation for the steady progress and long-term success of the enterprise.”

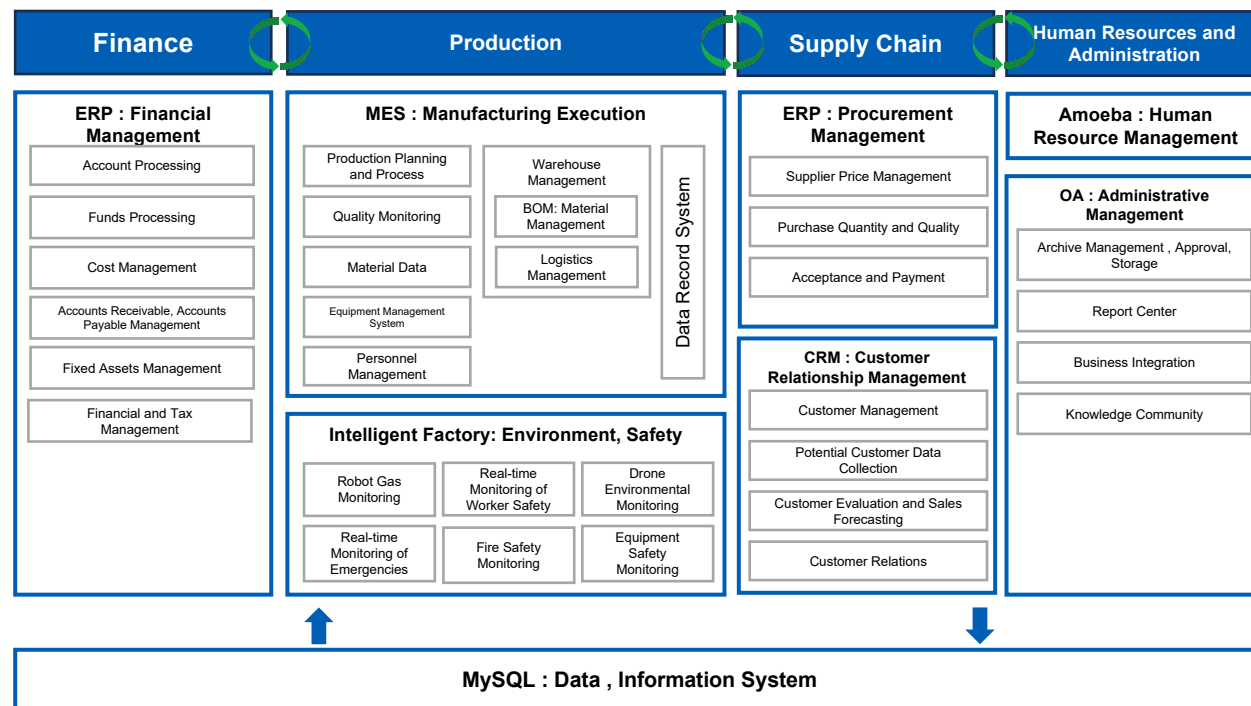
- Governance Structure
- Investor Relations
- Compliance and Internal Control
- Digitalization, Informatization, Automation
- Cybersecurity



# Digital Corporate Governance

“We believe that a strategy to enhance governance effectiveness and efficiency through the comprehensive use of modern information technology not only involves technological transformation but also entails a deep shift in corporate culture and business philosophy.”

Digital corporate governance is one of the important strategies to improve corporate governance structure by using modern information technology. Involving the use of technologies such as data analytics, cloud computing, and artificial intelligence to optimize decision-making processes can enhance decision-making transparency and improve risk management capabilities. Through digital transformation, companies will be more flexible in responding to market changes, more accurately grasp business opportunities and risks, and more closely communicate and collaborate with stakeholders. Digital corporate governance is not only the application of technology, but also the renewal of corporate culture and business philosophy, starting with the management, we gradually deepen the understanding of the value and potential of digital, and will gradually promote this concept in the company.



During the reporting period, we successfully implemented phase I of our new Manufacturing Execution System (MES) in our pelletizing and magnetic materials workshops, ensuring that the system is perfectly integrated into the company's production processes. This strategic investment in technology represents a major transition from traditional digital recording and control to full information management.

With the support of real-time data from the MES system, we make faster and more accurate decisions, optimize process flows, improve production efficiency, reduce waste, and ultimately enhance product quality and customer satisfaction. Furthermore, digital transformation not only strengthens our control over complex manufacturing environments but also provides our employees with more opportunities for learning and growth, infusing our corporate culture with a spirit open to technological innovation. The successful deployment of MES will provide us with a competitive advantage in the constantly evolving market environment, leading us into a new era of efficient, transparent, and intelligent manufacturing.



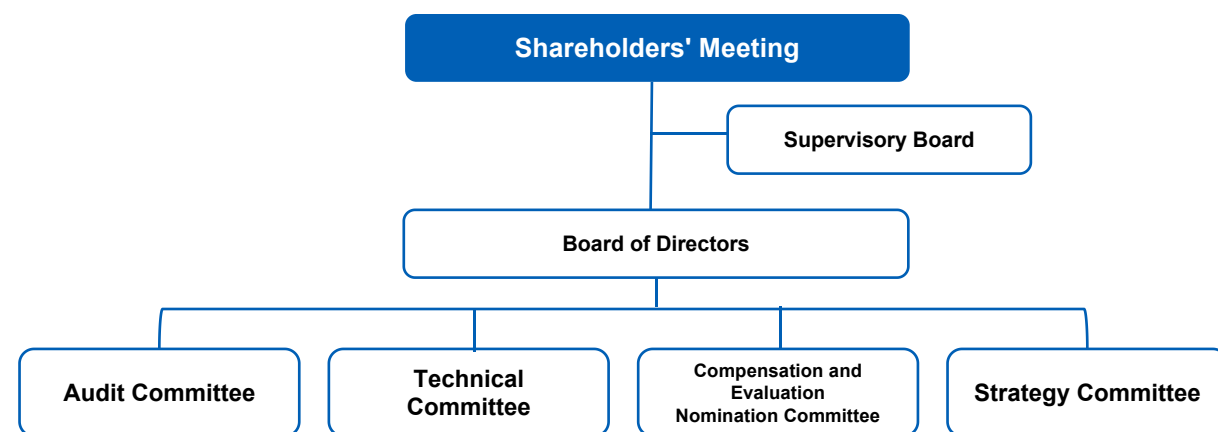


# Governance System

“A complete and effective governance system is indispensable for ensuring responsible decision-making, compliance with laws, risk control, and sustainable development.”

Shareholders' Meeting 2 times	Board of Directors 9 times	Supervisory Board 7 times	Strategy Committee 1 time
Audit Committee 4 times	Technical Committee 1 time	Compensation and Evaluation 2 times	

We strictly follow *the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Governance Guidelines for Listed Companies, and the Articles of Association of Jiangxi YueAn Advanced Materials Co.,Ltd.* as well as other applicable laws, regulations, and normative documents, we have established a standardized corporate governance structure. This includes the establishment of a general meeting of shareholders, a board of directors, and a board of supervisors. The Board consists of four specialized committees: Strategy Committee, Audit Committee, Technical Committee, and Remuneration and Assessment Committee. Each committee operates with clear divisional responsibilities in accordance with standardized procedures. They are independent from other departments or individuals within the company and provide professional opinions and suggestions to facilitate scientific decision-making processes and ensure standardized operations by the Board. By standardizing our company's operations in this manner, we aim to guarantee healthy and orderly conduct across all production and business activities while laying an essential foundation for achieving sustainable development.



## Tax Governance

To improve tax governance, we have established a comprehensive tax governance framework, strengthened tax compliance, implemented effective tax planning, and enhanced transparency and communication. At the same time, we have raised the tax awareness of our internal staff and utilized scientific and systematic technology to improve the efficiency of tax management. We ensure compliance with relevant tax laws and regulations, optimize tax burdens, fulfill tax obligations with integrity, and promote socio-economic growth.

## Information Disclosure

To regulate the company's information disclosure practices, we have developed *the Information Disclosure Management System*. We always adhere to the principles of fairness, justice, and openness, and continuously improve the information disclosure system. Timely, accurate, and complete disclosure of company information and strict adherence to listing rules and standard decision-making procedures is our commitment to protecting investor rights.

## Investor Relations Management

To strengthen the communication of information between the company and investors, and effectively protect the legitimate rights and interests of investors, especially small and medium investors, the company has formulated a comprehensive and complete *Investor Relations Management System*. The company carries out investor relations management by setting up an investor relations management service team, clarifying the operation norms of the team, and establishing effective communication with investors. The company has established a good interactive relationship with investors through a variety of channels, including the release of regular reports, organizing on-site research and road show exchanges, as well as the establishment of hotline, email, fax and investor relations interactive platform. It aims to promote investors' in-depth understanding of the company and strengthen the trust and cooperation between the two sides.

The company has carried out 72 surveys, and has accumulated 232 organizations and 532 people.

Analysts from 9 securities research firms wrote 18 research reports for the company.

The company has held 3 performance briefings in total.

The company replied to investors' questions through the SSE platform for 53 times, with a reply rate of 100%.

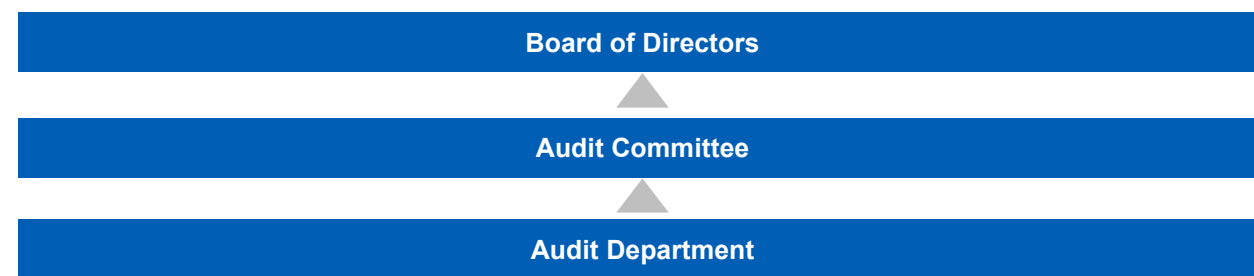
149 investor calls were answered throughout the year.

# Internal Control Compliance

“A sound internal control system is key for a company to reduce risks, shape its reputation, and win the trust of customers and investors.”

We adhere to the *Basic Norms for Internal Control* and the laws and regulations of the countries and regions where we operate, as well as all other relevant guidelines, and are committed to continuous resource investment to build a compliance management system that aligns with industry best practices. We consistently implement compliance management in every aspect of our business activities and processes. We value and continuously cultivate a culture of integrity, insisting that every employee follows the code of business conduct.

We have established an audit department in the field of internal control. Under the direct leadership of the Audit Committee of the Board of Directors, this department independently oversees the development and effective implementation of the company's internal control system. As a daily operational entity, the Audit Department adopts a risk-based approach to assess compliance with regulatory requirements for listed companies, thereby providing a reasonable assurance for achieving the company's internal control objectives.



In 2023, the Audit Department collaborated with a third-party entity to deliver over 84 compliance training courses for employees. A total of 308 individuals participated in the training, including company directors and supervisors, more than 5% of shareholders, directors' office staff, financial personnel, and auditors.

Over **84**  
compliance  
courses

Over **308**  
attendance

# Community Party Construction

“We always follow the party unwaveringly, strictly adhere to the guidance and requirements of party building, and carry out party affairs work in a systematic, standardized, and normative manner, with the spirit of the party leading us forward.”

We deeply study and implement Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, earnestly implement the spirit of General Secretary Xi Jinping's important speeches and instructions during his inspection of Jiangxi Province, focusing on new requirements such as high-quality development, green development, and low-carbon development. We liberate our minds, forge ahead, leverage our strengths, and shore up our weaknesses to rejuvenate the foundation and foster innovation. We fully support the national science and technology strategy, break through a batch of key core technologies, create a batch of high-tech industries, and contribute to forming an influential industrial cluster nationwide.

Jiangxi is a place with a rich revolutionary history, and the company encourages all employees to learn from and carry forward the spirit of Jinggangshan, the Soviet Area, and the Long March. We aim to guide party members and cadres to firmly believe in their mission, forge ahead with determination, and have the courage to take responsibility. At the same time, we strive to use knowledge and science as tools for changing destiny by conducting thorough theoretical studies and investigations while also engaging in practical work that benefits our people. Through these efforts, we hope to promote sustainable development through diligent work.



## Intelligent Factory

"We use advanced information technology and system integration technology to realize intelligent factory management, efficient service, and create an ecological modern factory."

During the reporting period, we actively utilized modern information technologies such as the Internet of Things, big data analysis, and cloud computing to create an efficient, intelligent, and environmentally friendly working and living environment. The Intelligent Factory project aims to standardize production processes, monitor factory safety in real-time and with precision, provide comprehensive safety guarantees for workers, improve overall work quality and efficiency, while ensuring sustainable development.



YueAn Smart Control Center

## Information Security

Information security management is the process of conducting a comprehensive risk assessment, strategy formulation, implementation of protective measures, and supervision and management of information systems. It includes not only technical aspects such as network defense, data encryption, and access control, but also involves the formulation of strict policy standards, employee training, legal compliance, and contingency plans for emergencies. Its purpose is to ensure the security of information resources, prevent unauthorized access, use, disclosure, destruction, modification, or damage to data, and ensure the normal operation of information systems, supporting the organization's business continuity and the confidentiality of information.

The company places great emphasis on information security management by strictly adhering to *the Data Security Law* and *Personal Information Protection Act* in accordance with the laws of the People's Republic of China.

During the reporting period, we did not encounter any instances of customer data information being compromised.

### Data Privacy

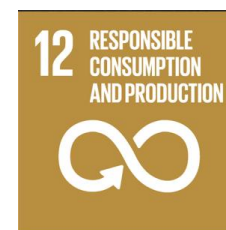
We place great emphasis on the privacy and security of customer data and are fully committed to safeguarding customer information and preventing any unauthorized data transfer. The Marketing and Information managers bear the responsibility for maintaining confidentiality within their department. To prevent internal information leakage during circulation, our company has implemented a "Customer-related Process Control System" that enables hierarchical management of customer-related information. All departments must submit an application before accessing or borrowing confidential documents, undergo supervised inspections, and copying is strictly prohibited. Furthermore, we regularly organize education and training sessions on protecting trade secrets.

# 03 Value Chain Collaborative Development

## Customer First, Collaborative Development

“We meet the needs of our customers with high-quality products, earn their trust, and effectively control costs through meticulous supply chain management. We establish good cooperative relationships with upstream and downstream industry partners, jointly promoting the efficient operation and sustainable development of the entire value chain.”

- Supplier Development
- Market Marketing Collaborative Development
- Anti-corruption, anti-bribery, anti-fraud



# Supply Chain Synergy

“Effective supplier management is the key to ensuring product quality and supply chain stability.”

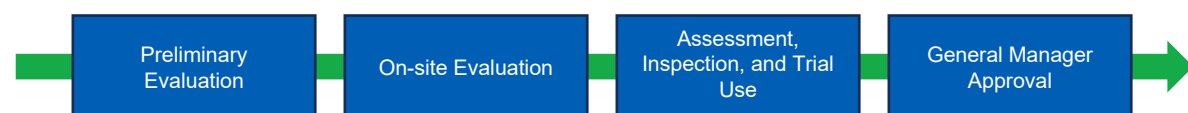
To ensure the scientific nature of procurement management, we evaluate and select suppliers based on the principles of fairness and justice. To continuously improve internal decision-making management, we have established a cross-functional management team encompassing R&D, planning, procurement, marketing, finance, and supervision functions to rigorously determine supplier access, selection, evaluation, and elimination.

## Supplier Due Diligence

We conduct annual due diligence on our suppliers and issue supplier questionnaires. The investigation covers the supplier's background, technology research and development, quality system, production capacity equipment, logistics, and emergency response. Additionally, we develop a comprehensive supplier audit plan at the beginning of each year, implement monthly evaluations with scoring criteria, and conduct an annual assessment for promotion or demotion management.

## Key Supplier Admission and Audit

The company continues to improve the *Supplier Code of Conduct*, to include dirty carbon emissions in the supplier code and encourages all suppliers to comply with the code.



We strictly adhere to technical standards when purchasing materials, enforces strict requirements and controls over the quality of purchased products, and prioritizes suppliers who have obtained quality system certification by evaluating supplier qualifications, pricing, delivery time, after-sales service, technology and management capabilities as well as quality assurance abilities. Purchasers issue a *Supplier Questionnaire* to potential suppliers for preliminary evaluation of their production processes, equipment and testing facilities.

## Management of Qualified Suppliers



The quality inspection department shall conduct inspections on incoming materials in accordance with the *Incoming Materials Inspection Standard*, document the inspection results in the *Incoming Goods Inspection Notice*, and submit them to the warehouse for further processing. If the materials pass the inspection, they will proceed with the warehousing process. In case of any non-conformities, a notification will be sent to the supply department, which will promptly contact the supplier. Additionally, if any quality issues are identified by the first-line production department during material or equipment usage, they will promptly report it to the supply department. The procurement logistics and equipment performance will serve as important criteria for evaluating supplier performance.

If a supplier consistently fails to meet delivery deadlines or exhibits discrepancies or quality problems three times consecutively, or if there is a recurring issue with material quality, improvement requirements will be communicated to suppliers by the purchase department. Failure to make effective improvements within specified time limits may result in disqualification of their status as an approved supplier.

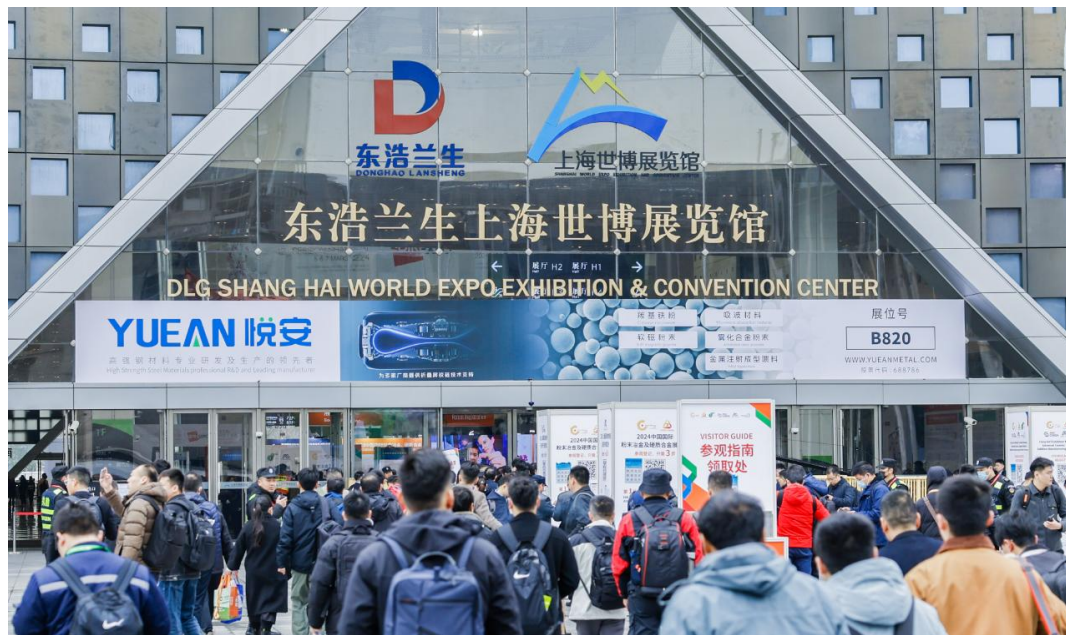
## Supplier Assessment and Exit Mechanism

The quality inspection department shall conduct a comprehensive evaluation of qualified suppliers by the end of each year, in accordance with contents in the following table. The assessment process primarily encompasses product quality, pricing, delivery timeliness, and after-sales service provided by the supplier. The departments involved in this evaluation include supply, usage, quality inspection, and production guarantee. The results of this evaluation will be documented in the *Qualified Supplier Annual Evaluation Form* which will serve as part of our quality records.

Violation of National Laws and Regulations	Breach of Contract	Quality Non-Conformance
When suppliers violate laws and regulations, conduct a thorough assessment of the risks associated with these suppliers, and terminate the cooperation process based on the outcome of the risk assessment.	Communicate the supplier's breach of contract through written documentation in order to convey the performance status; alternatively, investigate the contractual liability for such breaches based on the binding terms.	The Quality Inspection Department shall notify the Supply Department to suspend the supply of any supplier who fails the annual assessment or fails to deliver goods for three consecutive times.

# Marketing Synergy

“We engage in collaborative efforts with our esteemed customers and partners to drive marketing initiatives that enhance market share and augment brand equity.”



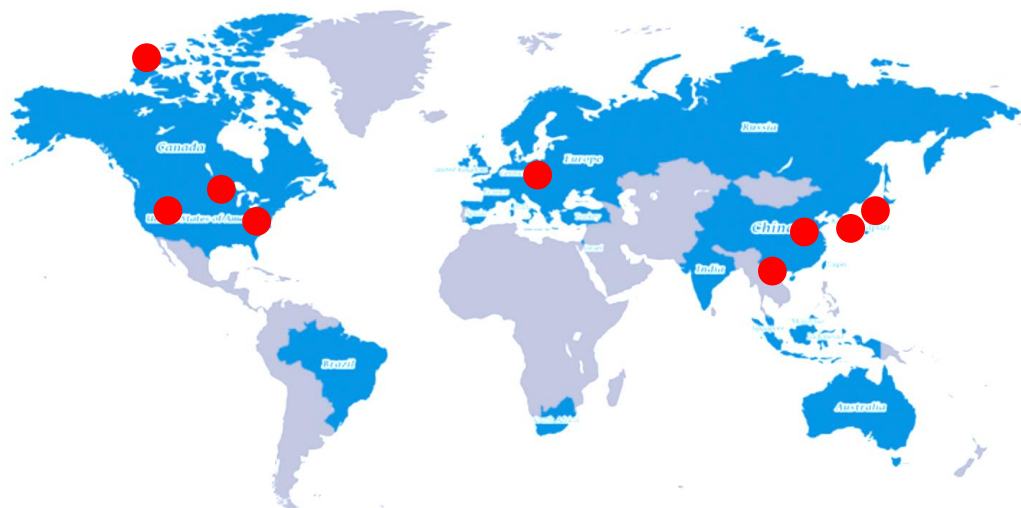
Being in Market  
**20 years**

Marketing and technical outlets  
**12**

Overseas Sales Outlets  
**10**

YueAn is a highly automated micro-nano metal powder production enterprise, equipped with a comprehensive quality control system, advanced process technology, and extensive product manufacturing and sales capabilities. While achieving import substitution of key materials previously sourced from European and American suppliers, we actively engage in international competition. Our products have successfully entered over 20 countries across Europe and Asia, resulting in accumulated foreign exchange earnings exceeding \$50 million. The establishment of YueAn marks the end of China's history of low technical content and backward quality levels in micro-nano metal powder production. It also paves the way for the development of new materials through independent research and development as well as continuous collaborative innovation among industry, academia, and research institutions.

Market Distribution



Currently, the company operates several sales and technical service stations in key regions such as the Pearl River Delta, Yangtze River Delta, Gansu, as well as internationally with 10 global marketing and technical outlets located in Germany, the United States, South Korea, Japan, India, among others.

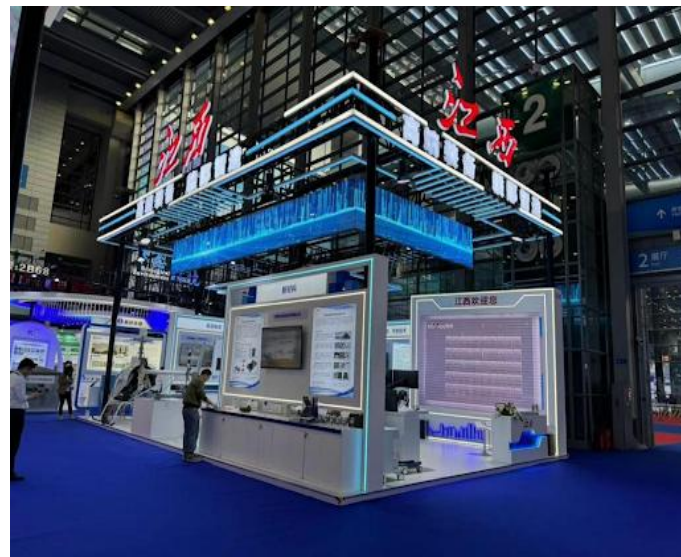


## Marketing Synergy (Continued)

"We collaborate with our customers and partners to jointly promote marketing, in order to expand market share and achieve brand value enhancement."

We proactively cultivate synergistic working relationships among diverse marketing channels and strategies to enhance marketing performance. This synergy permeates key marketing links, including product development, branding, sales channel optimization, and customer service, ensuring brand message consistency and delivering a consistent customer experience. As a result, we strengthen the brand's influence, achieve efficient resource allocation, and enhance our ability to respond swiftly to market dynamics. A robust marketing strategy is pivotal to our competitive positioning in the market.

The achievement of synergies necessitates effective integration not only within the Marketing Department, but also through close collaboration with product development, supply chain management, and external partners. This cross-functional and cross-boundary collaboration is imperative for driving the company's ongoing growth and maximizing profits.



Our company is a *champion demonstration enterprise in the manufacturing industry*, selected by the Ministry of Industry and Information Technology and the China Federation of Industrial Economics. It has also been recognized as a *Jiangxi Export Famous Brand enterprise for 2023* by the Provincial Department of Commerce.

## Anti-corruption, Anti-bribery, Anti-fraud

"The foundation of our long-term stability lies in our resolute rejection of crime and immorality."

"Anti-corruption, Anti-bribery, Anti-fraud" measures serve as the fundamental pillars of corporate governance and ethics. In accordance with *the Basic Standards and Supporting Guidelines for Enterprise Internal Control*, *the Articles of Association of YueAn*, relevant laws and regulations, as well as other pertinent documents, we have developed a robust *Internal Control System against Corruption, Counterfeiting, and Fraud* along with standardized operating procedures that align seamlessly with our business operations. This comprehensive approach has significantly bolstered our company's supervisory framework while ensuring adherence from all employees. Notably, directors, supervisors, middle and senior management personnel, as well as key position holders are expected to uphold an exemplary work ethic characterized by integrity, diligence, dedication in compliance with applicable laws and regulations alongside professional ethics and internal management systems. Our aim is to prevent any actions that may compromise the interests of the company or its shareholders.

We actively encourage employees to proactively report any perceived misconduct while providing necessary protection measures for those who dare challenge such behavior within our organization. To facilitate effective communication on these matters, we have established various feedback channels including physical suggestion boxes, complaint boxes, and electronic feedback mailboxes. We recognize that ethical conduct coupled with legal compliance forms an indispensable foundation for companies striving towards long-term sustainable development.



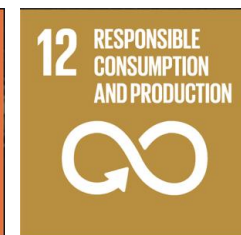


# 04 Sustainable Human Development

## People-oriented, Knowledge Revitalization

“We firmly believe in the power of knowledge and education as the key driving force for individual growth, national rejuvenation, and the advancement of human society. Providing equal educational opportunities for everyone, making knowledge an important tool for promoting social equity, and cultivating talents who can meet future challenges are the cornerstones for promoting our sustainable development and the harmonious progress of society.”

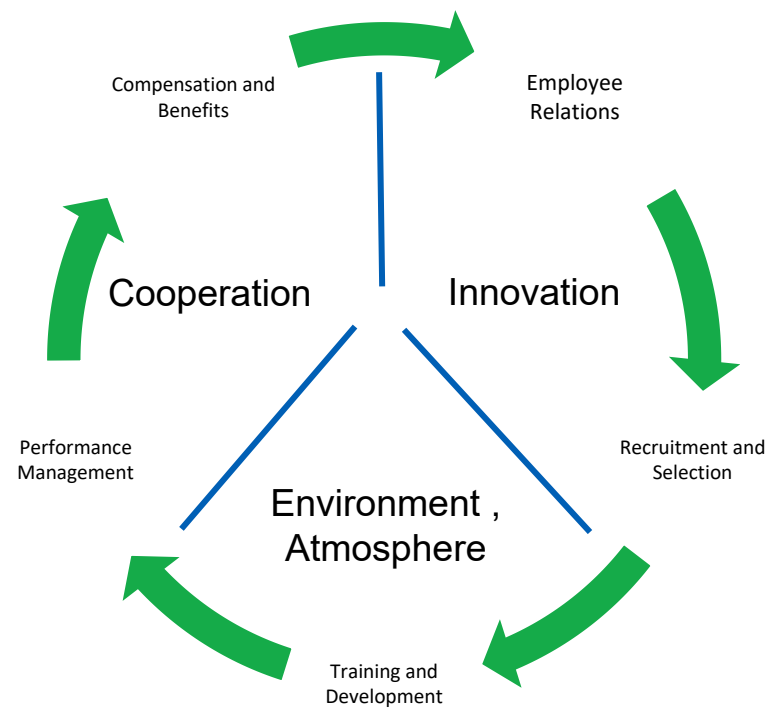
- Employee Rights
- Employee Diversity
- Democratic Management and Communication
- Health and Safety
- Employee Compensation and Incentives
- Employee Promotion
- Employee Training and Development
- Employee Care and Community Vitality
- Poverty Alleviation and Rural Revitalization





# Sustainable Human Development

We are striving to establish a talent ecosystem that is capable of self-renewal and continuous progress. Through fostering a positive working environment and atmosphere, we aim to inspire our employees to consistently innovate, ensuring the company's competitiveness and creativity in an ever-changing market landscape. Our aspiration is for our employees and their teams to continuously grow and advance, becoming catalysts for the long-term development of the enterprise while making valuable contributions towards societal harmony and progress.



We believe that fostering a workplace culture that is innovative, inclusive, and collaborative is critical to unlocking the potential of our employees and retaining great talent. We expect every employee to be recognized and respected for their creativity and hard work, and to create an excellent, stable and safe working environment for all employees by providing continuous training opportunities and supporting personal development.

Innovation is our key engine for sustainable development. We encourage every employee to boldly practice new ideas and methods, trust and support the team to learn lessons from failures, grow in attempts, and constantly stimulate the individual potential of each employee, so as to help the company as a whole to move forward.

We promote interdepartmental collaboration to dismantle information silos and facilitate the seamless exchange of knowledge and expertise throughout the organization. We highly value teamwork, as cross-functional cooperation not only enables us to solve complex problems more effectively but also fosters a dynamic and adaptable work environment.

The HR department advocates for a culture of open communication between the company and its employees, regularly conducting employee satisfaction surveys to gain comprehensive insights into their suggestions and opinions. We have implemented a rigorous and scientific staff satisfaction assessment scheme to continuously enhance our personnel management system, methods, efficiency, and fairness in order to increase employee satisfaction and loyalty. During the reporting period, the HR Department introduced an Amoeba management system that focuses on three key areas: strategy and organization, talent acquisition and motivation, goal setting and performance evaluation. This initiative aims to instill a strong sense of responsibility among employees while aligning them with the company's development goals, ultimately boosting overall morale within the organization.

With our ongoing growth trajectory coupled with our commitment towards attracting top talent, we plan to comprehensively advance our talent strategy in 2024 across five major aspects: recruitment & selection processes, training & development programs, performance management systems, compensation & benefits structures, and employee relations practices.



# Employee Rights

“We strictly formulate management regulations and methods to ensure that protecting employees' rights is our basic commitment to them.”

The legitimate rights and interests of employees are respected and protected in accordance 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. Clear regulations on various employee rights and interests have been established to foster harmonious labor relations.

## Freedom of Career Management

We abide by the labor laws and regulations of China and applicable countries and regions, and prohibit any form of forced labor, including involuntary labor with punishment as a means of intimidation.

## Child Labor and Minor Management

We commit to not using or supporting the use of child labor, and not cooperating with any suppliers who intentionally use child labor.

## Human Rights Protection

We have established policies and procedures to protect the personal rights of employees, prohibiting any form of sexual harassment, corporal punishment, mental and physical oppression, verbal abuse, and threats.

## Wages, Compensation, and Benefits

We adhere to legal regulations, implement the principle of distribution according to work, and legally pay social insurance and housing provident funds. In addition, the company provides annual physical examinations, employee outings, cultural and entertainment activities, and holiday benefits. Wages are paid monthly, and there have been no instances of unjustified wage arrears.

## Paid Leave Wages

Employees are entitled to take leave in accordance with the Labor Law and the Labor Contract Law, and their salary during welfare leave shall be paid in compliance with both legal requirements and company regulations. National holidays such as marriage and funeral leave, maternity leave, childcare leave, statutory holidays, and rest days enjoyed by employees are not considered part of annual leave.

## Prohibition of Discrimination Management

We offer equitable and reasonable employment opportunities, and base decisions on hiring, compensation, incentives, training prospects, promotion, termination or retirement solely on individual competence and job requirements. We uphold non-discrimination principles regarding age, disability, gender, ethnicity etc., and refrain from subjecting employees to discriminatory medical examinations.



# Employee Diversity

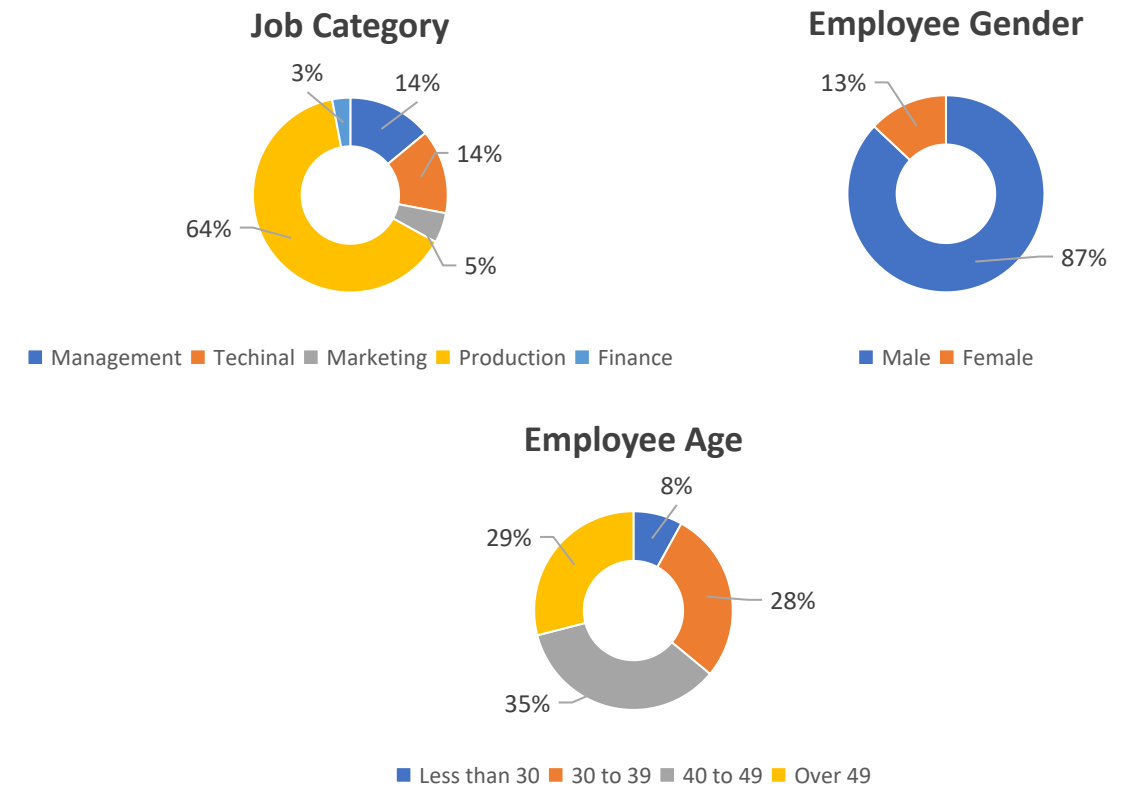
“Employee diversity is a crucial strategy for maintaining innovative capabilities, and it is also an important pillar of our fair, just, and transparent talent strategy.”

In 2023, we reinforced our efforts to attract experts in the field of research and development as well as outstanding graduates from top universities. We conducted thorough exploration, active development, and systematic training to establish a reserve talent team. This strategy invigorates our talent pool and ensures that our talent resources are sustainable for future growth. As of the end of the reporting period, we had 510 employees, representing a year-on-year increase of 3.87%.

Year	2021	2022	2023
Number of People	459	491	510
Labor Contract/Proportion of Labor Contract Signed %	100%	100%	100%

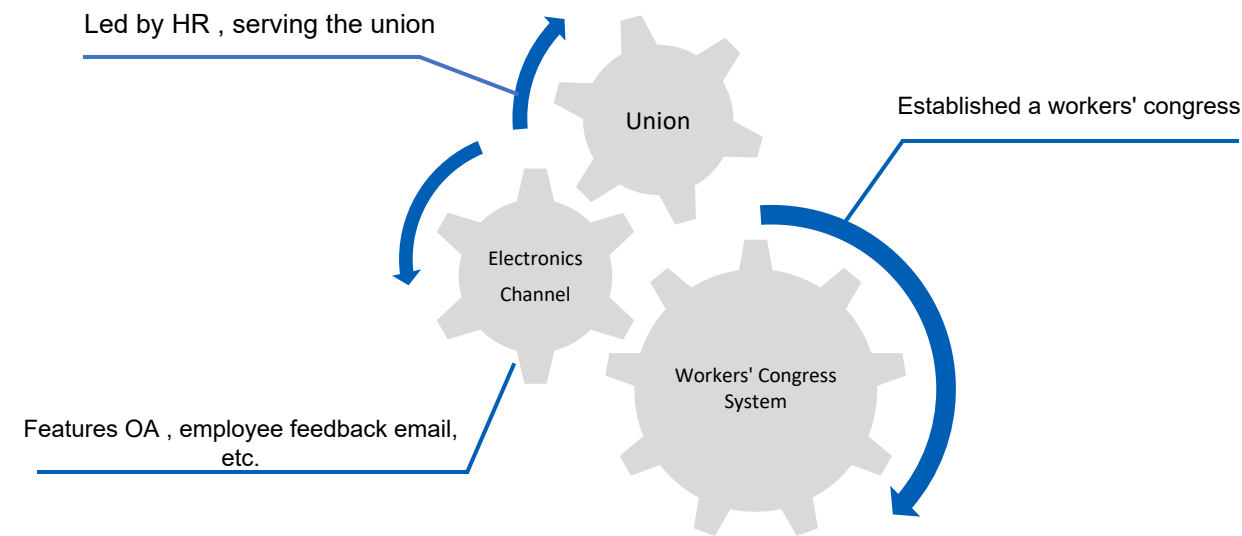


The enhancement of our commitment lies in the maintenance of a diverse workforce, as well as the establishment of a sophisticated talent system encompassing R&D, procurement, production, and sales.



# Democratic Management and Communication

“Upholding the tenets of democratic management and communication, we firmly uphold that each employee's voice is an indispensable catalyst for the company's development. Through continuous dialogue and effective communication, we collaboratively drive progress and foster innovation within the organization.”



We firmly adhere to upholding the core principles of democratic governance and fostering open communication. We highly value the input of every employee, recognizing their indispensable role in driving continuous progress and innovation within our company. To achieve this, we actively encourage our employees to proactively express their opinions and suggestions, ensuring that these valuable insights are received and carefully evaluated by our senior management team.

Employee feedback is diligently recorded and analyzed through various channels such as formal meetings, anonymous suggestion boxes, or daily informal communication. Our leadership not only regularly reviews the relevant feedback but also promptly implements necessary adjustments or improvements based on it. Additionally, regular staff meetings are held to transparently disclose the results of feedback collection efforts and actions taken to ensure accountability.

Through ongoing dialogue and unwavering dedication, we not only resolve challenges but also foster a culture of innovation. We firmly believe that this corporate culture built upon respect and trust empowers us to swiftly adapt to market changes while maintaining team cohesion and motivation.

# Safety and Health

“As part of our corporate social responsibility, we are fully committed to safeguarding the health and well-being of our employees. Through continuous optimization of the work environment and fostering a strong safety culture, we strive to establish a secure working environment for our workforce.”



2023 "Qianneng Cup" employee labor skills competition

We fully acknowledge the significance of employee health and safety. During the reporting period, we organized a "Quality Safety Month" to proactively promote quality safety. We consider our employees' well-being as an integral component of our corporate social responsibility. Therefore, we are dedicated to continuously enhancing the working environment and fostering employees' safety awareness, with the ultimate goal of establishing a secure work setting. Our aim is to safeguard our employees' welfare while simultaneously driving the company's healthy growth and fulfilling our corporate social responsibilities.

# Employee Compensation and Incentives

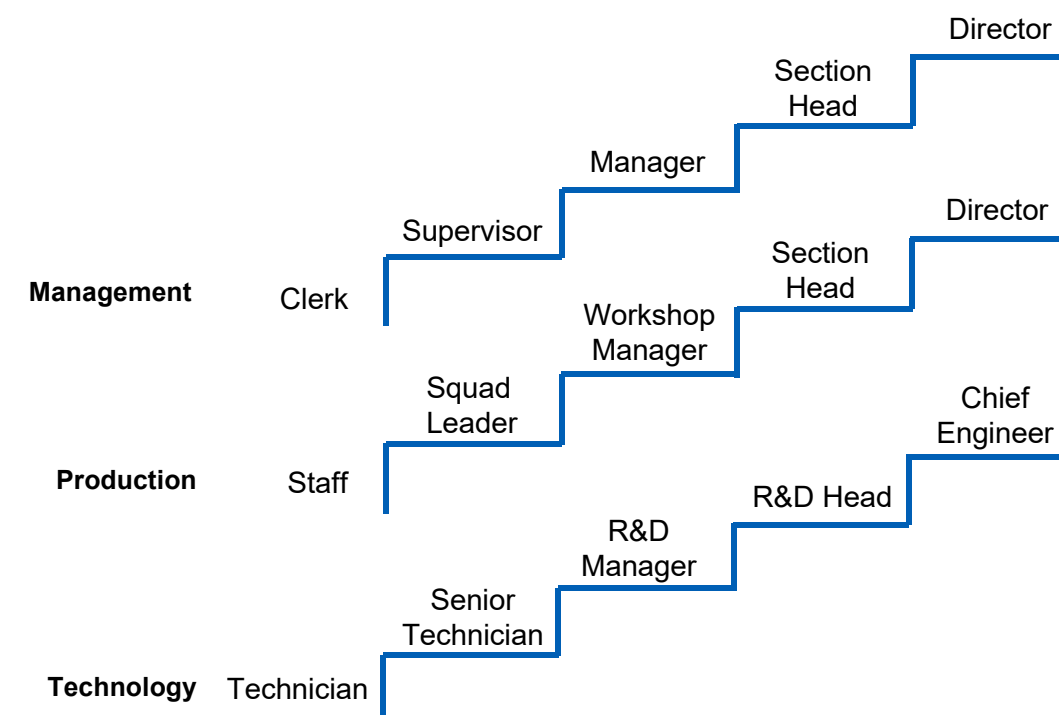
“We adhere to the people-oriented concept, committed to building a fair and motivating compensation system, aimed at attracting, cultivating, and retaining industry elites. By sharing the results of growth with employees, we inspire the team's potential and creativity.”

With the collaborative efforts of the Compensation and Assessment Committee of the Board of Directors and the Human Resources Department, the company has progressively established and enhanced a salary and compensation system that encompasses internal equity and market competitiveness. The company is dedicated to constructing an efficient incentive mechanism, making more precise investments in human resources, fostering employee cohesion, and accomplishing corporate objectives. The meticulously designed compensation and incentive system ensures fair performance rewards while stimulating employees' potentiality and innovation. By aligning our salary structure with industry standards alongside transparent performance incentives, we ensure that our employees are duly rewarded for their contributions while being motivated to strive for excellence. Our comprehensive range of incentives includes performance bonuses, promotion prospects, avenues for professional development, as well as a plethora of employee benefits - all aimed at demonstrating appreciation towards our workforce's valuable contributions towards the success of our organization. We wholeheartedly support our employees' career growth as it directly contributes to long-term prosperity.

Earned Income	Health Support	Happy Life
<ul style="list-style-type: none"> <li>Fixed Salary</li> <li>Annual Service Award</li> <li>Performance Bonus</li> <li>Special Bonus</li> <li>Long-term Incentive</li> <li>Annual Salary Adjustment</li> <li>Employee Dormitory</li> </ul>	<ul style="list-style-type: none"> <li>Annual Physical Examination</li> <li>Occupational Health Examination</li> <li>Health Lecture</li> <li>Health Day Activities</li> </ul>	<ul style="list-style-type: none"> <li>Employee Club</li> <li>Department Team Building</li> <li>Festival Gifts</li> <li>Get Well Wishes</li> <li>Company Gym</li> </ul>

# Employee Promotion

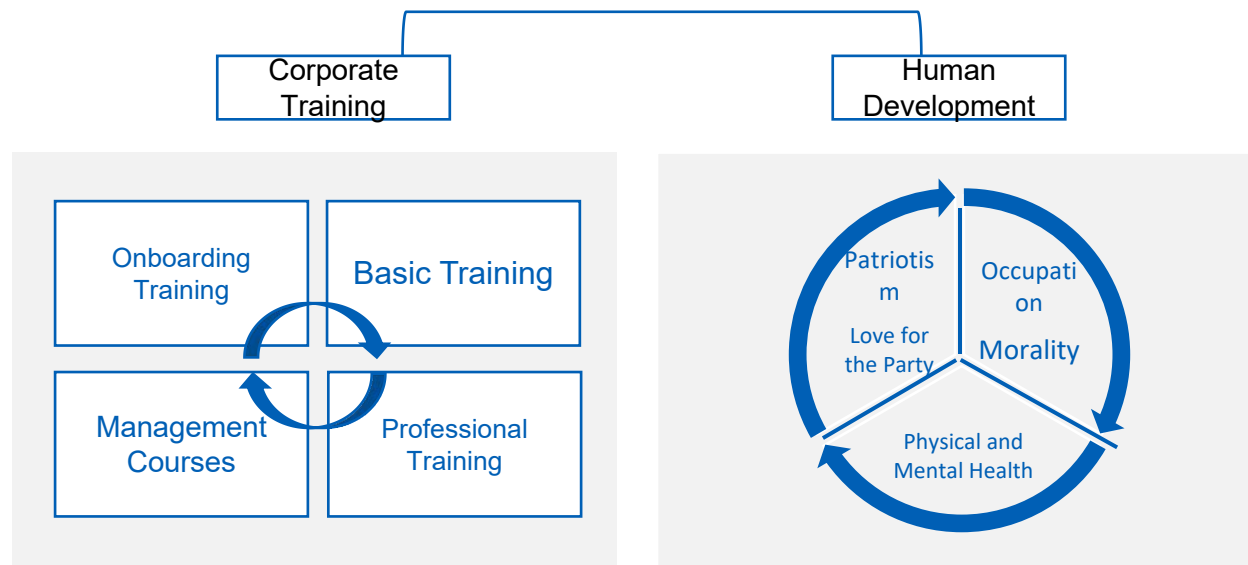
“The growth of the company is a result of the individual development of its employees. The transparent and efficient promotion mechanism enables us to identify emerging talents and provide momentum for the long-term progress of the company.”



We firmly believe that the personnel promotion mechanism is the fundamental driving force for promoting the implementation of corporate strategy. It serves as a crucial pillar in cultivating corporate culture and achieving long-term objectives, while also acting as a key strategy for attracting and retaining talent. By adhering to the "Promotion Mechanism Management Measures" and "Reward and Punishment System," we establish an equitable performance evaluation system, offer a clear career development path, and provide necessary training and developmental opportunities. Through these measures, enterprises can effectively motivate employees to enhance their capabilities, thereby fostering innovation and growth within the organization. Such a mechanism ensures fairness and transparency in talent management, facilitates the attraction and retention of exceptional individuals, strengthens core competitiveness of the enterprise further, ultimately guaranteeing seamless execution and long-term success of our strategic initiatives.

# Employee Training and Development

“Employees are dedicated to the company, and we strive for their contribution while ensuring a nurturing atmosphere. Our unwavering belief is to foster an inclusive work environment that embraces personal well-being. The company serves not only as a workplace but also as a platform for collective growth of our workforce.”



By enhancing the comprehensive strategy for employee training, development, and care, we are dedicated to fostering the overall advancement of our employees. This will be achieved by integrating it with an incentivized promotion mechanism, thereby collectively establishing the talent development concept framework of "YueAn University". In accordance with the "Staff Training Management System", we offer holistic developmental opportunities to colleagues with diverse years of experience, backgrounds, skills, and career aspirations from both corporate training and human development perspectives.

In terms of enterprise training, we offer employees a well-defined career development pathway encompassing foundational training, professional skills enhancement, and management proficiency cultivation. Our induction program facilitates swift assimilation into the corporate culture while our foundational training ensures acquisition of essential vocational competencies. Subsequently, our specialized training and management courses are designed to enhance employees' adaptability to evolving work demands and challenges, thereby fostering personal career growth, unleashing potential, promoting continuous progress, and upholding the ethos of lifelong learning.

In terms of human development, we are dedicated to preserving the essence of Chinese culture. We organize regular activities to promote the spirit of the Constitution, foster a socialist culture based on the rule of law, and encourage employees to contribute towards the progress of both Party and country with a sense of patriotism and loyalty. The company places great emphasis on professional ethics, upholding the principle of "character first, performance second," and considers professional ethics as fundamental in talent selection. We value the spiritual and cultural well-being of our employees and actively promote traditional Chinese culture along with socialist core values. Through organizing a series of cultural events and learning sessions, we inspire employees to deeply comprehend and practice constitutional principles while cultivating patriotism and loyalty towards the Party. This enhances team cohesion as well as corporate cultural identity, thereby fostering a positive working atmosphere for our company.



# Employee Care and Community Vitality

In terms of the 2023 results, we have implemented the enterprise mentor program with a core strategy of "experimentation, adjustment, and breakthrough". The objective is to develop a talent training model that aligns with the characteristics of YueAn, enabling cultivated talents to contribute effectively to the enterprise's goals and provide long-term strategic support for YueAn. The plan consists of three components: departmental initiation, fostering cross-departmental collaboration, and integration within the entire organization. To enhance our talent knowledge reservoir, we have established a company library aimed at enriching staff knowledge reserves while supporting upward mobility and encouraging talented individuals to lead organizational progress.



In 2024, we have planned to further expand the coverage of our training and development programs while introducing more innovative training methods and learning resources to cater to the diverse developmental needs of our employees. Simultaneously, we will continue optimizing the corporate mentorship program for enhanced efficiency and personalization. Through continuous innovation and improvement, we eagerly anticipate providing employees with abundant and efficient development opportunities in the future, thereby jointly embracing a brighter future. This strategic approach also serves as an effective means for attracting and retaining talents.

A sound physique is the cornerstone of efficient work and a contented life. We actively encourage our employees to participate in various recreational activities, which not only fosters communication and collaboration between teams, but also enhances work efficiency and innovation while providing a relaxed atmosphere for employees to alleviate work-related stress, explore personal interests, and improve their physical and mental well-being.

A total of **54** physical fitness activities

Over **200** participants



## Poverty Alleviation

“The social mission of "Poverty Alleviation, Education Empowerment" aims to address the basic educational needs of impoverished individuals through targeted assistance, thereby promoting stable poverty reduction and fostering shared prosperity among this population.”

We implement personalized assistance programs encompassing education, healthcare, employment, and other domains to effectively support impoverished families through comprehensive policies. Throughout the reporting period, the company collaborated with Beijing ZiDongHua Energy Technology Co., LTD., in facilitating cultural and historical learning experiences for underprivileged students from Dongmen Primary School in Beijing. Simultaneously, we extended our concern towards the physical and mental well-being of party members residing in He Dong Township's Changling village who face various difficulties. We firmly believe that prioritizing both physical and mental health while providing diverse educational opportunities can empower individuals to unlock their full potential and contribute significantly to societal prosperity and progress.



## Rural Revitalization

“We proactively share our knowledge assets with our community, always mindful of the generosity it has shown us, and actively engage in its development as a way to reciprocate its kindness.”

We consider rural revitalization as a pivotal component of the company's ESG strategy, and through extensive collaboration between enterprises and rural areas, we contribute to resolving practical issues in rural regions, broadening corporate perspectives, and achieving mutually beneficial outcomes. By providing financial support, technical training, or product development assistance to impoverished villages, we aid the government in expanding the influence of "10,000 Enterprises Revitalizing 10,000 Villages" initiative while fostering increased participation from more enterprises in rural revitalization efforts. Together, we strive towards promoting rural rejuvenation and attaining shared prosperity.



During the reporting period, we made a total donation about RMB 213,400 to various sectors of society. Mr. Wang Bing, the General Manager, expressed during a donation event that YueAn as an assisting enterprise in Dongshan Village, has been actively exploring innovative approaches for achieving mutual benefits between the village and the enterprise. The company aims to apply the knowledge and concepts acquired by enterprises to contribute towards rural revitalization efforts. Moving forward, we will continue supporting the development of Dongshan Village and hope that more enterprises and entrepreneurs can demonstrate concern for their hometowns and contribute to their respective communities' progress. Following the donation ceremony, a "10,000 Enterprises Revitalizing 10,000 Villages" symposium was held to envision a new future for Dongshan Village's development in 2024.



## Appendix 1: GRI report disclosure Index

GRI Standard	Organizational profile	Location of the report
102-1	Name of the organization	Report cover
102-2	Activities, brands, products, and services	YueAn's 20 Years
102-3	Location of headquarters	YueAn's 20 Years
102-4	Location of operations	Industrial Strategic Planning, Green R&D, Green Process, Green Energy, Green Water Use, Green Office
102-5	Ownership and legal form	YueAn's 20 Years
102-6	Markets served	YueAn's 20 Years
102-7	Scale of the organization	YueAn's 20 Years
102-8	Information on employees and other workers	Employee Diversity
102-9	Supply chain	Supply Chain Synergy
102-10	Significant changes to the organization and its supply chain	Supply Chain Synergy
102-11	Precautionary Principle or approach	ESG Strategy
102-12	External initiatives	Marketing Synergy
102-13	Membership of associations	YueAn's 20 Years
GRI Standard	Strategy	Location of the report
102-14	Statement from senior decision-maker	Chairman's Message
GRI Standard	Ethics and Integrity	Location of the report
102-16	Values, principles, standards, and norms of behavior	YueAn's 20 Years
102-17	Mechanisms for advice and concerns about ethics	YueAn's 20 Years, Assessment of Material Issues, ESG Strategy, ESG Management and Planning

GRI Standard	Governance	Location of the report
102-18	Governance structure	Governance Structure
102-19	Delegating authority	Governance Structure
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance Structure
102-22	Composition of the highest governance body and its committees	Governance Structure
102-23	Chair of the highest governance body	Governance Structure
102-24	Nominating and selecting the highest governance body	Governance Structure
102-25	Conflicts of interest	Governance Structure
102-26	Role of highest governance body in setting purpose, values, and strategy	Governance Structure
102-30	Effectiveness of risk management processes	Governance Structure
102-32	Highest governance body's role in sustainability reporting	Governance Structure
102-35	Remuneration policies	Employee Compensation and Incentives
102-36	Process for determining remuneration	Employee Compensation and Incentives
102-37	Stakeholders' involvement in remuneration	Governance Structure
102-40	List of stakeholder groups	Governance Structure
102-41	Collective bargaining agreements	Governance Structure
102-42	Identifying and selecting stakeholders	Governance Structure
102-43	Approach to stakeholder engagement	Governance Structure
102-44	Key topics and concerns raised	Governance Structure

## Appendix 1: GRI report disclosure Index (Continued)

GRI Standard	Reporting Practice	Location of the report
102-45	Entities included in the consolidated financial statements	About the Report, Performance Indicators
102-46	Entities included in the consolidated financial statements	About the Report
102-47	List of material topics	About the Report
102-48	Restatements of information	About the Report
102-49	Changes in reporting	About the Report
102-50	Reporting period	About the Report
102-51	Date of most recent report	About the Report
102-52	Reporting cycle	About the Report
102-53	Contact point for questions regarding the report	About the Report
102-54	Claims of reporting in accordance with the GRI Standards	About the Report
102-55	GRI content index	About the Report
102-56	External assurance	About the Report
GRI Standard	GRI201: Economic Performance 2016	Location of the report
201-1	Direct economic value generated and distributed	Appendix 2: Summary of Key Performance Indicators
GRI Standard	GRI205: Anti-corruption 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Anti-corruption, Anti-bribery, Anti-fraud
103-2	The management approach and its components	Anti-corruption, Anti-bribery, Anti-fraud
103-3	Evaluation of the management approach	Anti-corruption, Anti-bribery, Anti-fraud
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption, Anti-bribery, Anti-fraud

GRI Standard	GRI301: Materials 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Green Process
103-2	The management approach and its components	Green Process
103-3	Evaluation of the management approach	Green Process
GRI Standard	GRI302: Energy 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Green Energy
103-2	The management approach and its components	Green Energy
103-3	Evaluation of the management approach	Green Energy
302-4	Reduction of energy consumption	Green Energy
GRI Standard	GRI303: Water and Effluents 2018	Location of the report
103-1	Explanation of the material topic and its Boundary	Green Water Use
103-2	The management approach and its components	Green Water Use
103-3	Evaluation of the management approach	Green Water Use
303-1	Interactions with water as a shared resource	Green Water Use
303-2	Management of water discharge-related impacts	Green Water Use
303-3	Water withdrawal	Green Water Use
303-4	Water discharge	Green Water Use

## Appendix 1: GRI report disclosure Index (Continued)

GRI Standard	GRI305: Emissions 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Green Water Use
103-2	The management approach and its components	Green Water Use
103-3	Evaluation of the management approach	Green Water Use
305-1	Direct (Scope 1) GHG emissions	Green Gas
305-2	Energy indirect (Scope 2) GHG emissions	Green Gas
GRI Standard	GRI306: Waste 2020	Location of the report
306-1	Waste generation and significant waste-related impacts	Green Waste Management
306-2	Management of significant waste-related impacts	Green Waste Management
306-3	Waste generated	Green Waste Management
306-4	Waste diverted from disposal	Green Waste Management
306-5	Waste directed to disposal	Green Waste Management
GRI Standard	GRI307: Environmental Compliance 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Green Scientific Innovation
103-2	The management approach and its components	Green Scientific Innovation
103-3	Evaluation of the management approach	Green Scientific Innovation
307-1	Non-compliance with environmental laws and regulations	Green Scientific Innovation
GRI Standard	GRI308: Supplier environmental assessment 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Supply Chain Synergy
103-2	The management approach and its components	Supply Chain Synergy
103-3	Evaluation of the management approach	Supply Chain Synergy
308-1	New suppliers that were screened using environmental criteria	Supply Chain Synergy

GRI Standard	GRI401: Employment 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Employee Rights
103-2	The management approach and its components	Employee Rights
103-3	Evaluation of the management approach	Employee Rights
401-1	New employees hires and employee turnover	Employee Rights
401-3	Parental leave	Employee Rights
GRI Standard	GRI403: Occupational Health and Safety 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Safety and Health
103-2	The management approach and its components	Safety and Health
103-3	Evaluation of the management approach	Safety and Health
403-1	Occupational health and safety management system	Safety and Health
403-2	Hazard identification, risk assessment, and incident investigation	Safety and Health
403-3	Occupational health services	Safety and Health
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety and Health
403-5	Worker training on occupational health and safety	Safety and Health
403-6	Promotion of worker health	Safety and Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Health
403-8	Workers covered by an occupational health and safety management system	Safety and Health
403-9	Work-related injuries	Safety and Health
403-10	Work-related ill health	Safety and Health
GRI Standard	GRI404: Training and Education 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Employee Training and Development
103-2	The management approach and its components	Employee Training and Development

## Appendix 1: GRI report disclosure Index (Continued)

GRI Standard	GRI404: Training and Education 2016	Location of the report
103-3	Evaluation of the management approach	Employee Training and Development
404-1	Average hours of training per year per employee	Employee Training and Development
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
GRI Standard	GRI405: Diversity and equal opportunity 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Employee Care and Community Vitality, Poverty Alleviation, Rural Revitalization
103-2	The management approach and its components	Employee Care and Community Vitality, Poverty Alleviation, Rural Revitalization
103-3	Evaluation of the management approach	Employee Care and Community Vitality, Poverty Alleviation, Rural Revitalization
405-1	Diversity of governance bodies and employees	Employee Care and Community Vitality, Poverty Alleviation, Rural Revitalization
GRI Standard	GRI413: Local Community 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Supply Chain Synergy
103-2	The management approach and its components	Supply Chain Synergy
103-3	Evaluation of the management approach	Supply Chain Synergy
413-1	Operations with local community engagement, impact assessments, and development programs	Supply Chain Synergy
GRI Standard	GRI308: Supplier environmental assessment 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Supply Chain Synergy
103-2	The management approach and its components	Supply Chain Synergy
103-3	Evaluation of the management approach	Supply Chain Synergy
308-1	New suppliers that were screened using environmental criteria	Supply Chain Synergy
GRI Standard	GRI416: Customer health and safety 2016	Location of the report
103-1	Explanation of the material topic and its Boundary	Marketing Synergy
103-2	The management approach and its components	Marketing Synergy

## Appendix 2: Summary of Key Performance Indicators

Environmental Performance Index	Unit	Data
Environmental protection input	RMB	4,138,200
Natural gas	Cubic meter	0
Gasoline	liters	0
Diesel	liters	19,888
Photovoltaic power generation	kWh	149,268
Volatile Organic Compounds(VOCs)	ton	0
Sulfide emission	ton	0
NOx emission amount	ton	0
PM emissions	ton	0
Wastewater	ton	95,155
Total chemical aerobic quantity(COD)	ton	0.8508

Environmental Performance Index	Unit	Data
Total ammonia nitrogen	ton	0.32
Total hazardous waste	ton	62.39
Total general waste	ton	439
Total amount of recycled water	Cubic meter	313,073

Social Performance Index	Unit	Data
Number of occupational cases	Person	0
Number of work-related deaths	Person	0
Number of Suppliers	Case	476
Number of Domestic Suppliers	Case	473
Number of Overseas Suppliers	Case	3
Total number of suppliers signing environmental and labour requirements	Case	26

# Feedback Form

Dear reader,

Thank you for taking the time out of your busy schedule to review the *YueAn's 2023 ESG Report*. We eagerly anticipate your valuable feedback and recommendations regarding both the report and our endeavors. Your input serves as a crucial foundation for us to further advance sustainable development management and implementation.

Multiple Choice:

1. What kind of stakeholders of YueAn do you work for:

Shareholders  Employees  Suppliers  Customers  Government   
Community  Academic Institutions  Others

2. Is the information you are concerned about reflected in the report ?

Yes  Somewhat  No

3. Your overall evaluation of *YueAn's 2023 ESG Report*:

3.1 Readability (The expression is easy to understand, the design is beautiful, and the needed information is easy to find)

Yes  Somewhat  No

3.2 Credibility (The information in the report is credible)

Yes  Somewhat  No

3.3 Information Integrity (Considering both positive and negative aspects of information and meeting your information needs)

Yes  Somewhat  No

4. Can you easily find the information you are interested in the report ?

Yes  Somewhat  No

5. Would you prefer to see a paper or electronic version of the report in the future ?

Paper version  Electronic version

6. We welcome any other comments and suggestions you may have about the *YueAn's 2023 ESG Report*.

Name:

Workplace:

Contact Number:



## YueAn's 2023 ESG Report

Jiangxi YueAn Advanced Materials Co.,Ltd.

Phone: +86(0)797-8705008

Fax: +86(0)797-8772868

Email: stock@yueanmetal.com

Address: Xinshiji Gongyecheng, Dayu County,  
Jiangxi Province, (ZIP: 341500)

Website: www.yueanmetal.com