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2024

Environmental, Social, and Governance Report

Beijing Easpring Material Technology Co., Ltd.



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About the Report

"Beijing Easpring Material Technology Co., Ltd. 2024 Environmental, Social and Governance Report" (ESG Report or the "Report) is the second sustainability report released by Beijing Easpring Material Technology Co., Ltd. (the "Company" or "Easpring"). The purpose of this report is to present the objectives, management methods, work progress and performance of Easpring related to environmental, social and corporate governance to various stakeholders.

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024, and some contents are reasonably extended to enhance comparability and forward-looking reporting.

Reporting Scope

The content contained in this report covers Easpring and its subsidiaries, which include:

- Jiangsu Easpring Material Technology Co., Ltd. (hereinafter referred to as Easpring Jiangsu)
- Easpring Technology (Changzhou) New Materials Co., Ltd. (hereinafter referred to as Easpring Changzhou)
- Easpring SDIG (Panzhihua) New Materials Co., Ltd. (hereinafter referred to as Easpring SDIG Panzhihua)
- Beijing Zodngoc Automatic Technology Co., Ltd. (hereinafter referred to as Beijing Zodngoc)
- Beijing Dark Horse Intelligence Equipment Co., Ltd. (hereinafter referred to as Dark Horse)

- Easpring (Hong Kong) Co., Limited (hereinafter referred to as Easpring Hong Kong)
- Easpring (Hong Kong) Investment Co., Limited (hereinafter referred to as Easpring HK Investment)
- Easpring Investment Lux S.à r.l. (hereinafter referred to as Easpring Lux)
- Easpring Finland New Materials Ltd (hereinafter referred to as Easpring Finland)

Reporting Guidance

This report is prepared in accordance with the Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation) and Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange—Preparation of Sustainability Report.

The preparation process of this report complies with the Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative, and also refers to the United Nations Sustainable Development Goals (SDGs) and key issues of concern to mainstream ESG ratings at home and abroad.

Reporting Principles

The report is prepared in accordance with GRI reporting principles:

- Accuracy: The report is dedicated to providing accurate information. In the process of data collection, collation and analysis, the statistical caliber and calculation basis of quantitative data are clarified, and through a strict review process, it is ensured that there are no false records, misleading statements or major omissions in the report content.
- Balance: The content of the report reflects objective facts, impartially presents Easpring's performance in all aspects of ESG, and tries to avoid any content that may affect the decision-making or judgment of relevant parties.
- Clarity: The report provides auxiliary content such as charts and terminology definitions. At the same time, this report also provides a table of contents and a benchmarking index table of ESG-related standards to help relevant parties quickly locate the required content.
- Comparability: The report and subsequent annual ESG reports use consistent disclosure statistical methods. If there is any change in statistics and

- disclosure methods, it will be fully explained in the notes to the report so that relevant parties can carry out meaningful analysis and evaluation.
- Completeness: Unless otherwise stated, the scope of information disclosed in this report covers Easpring and its subsidiaries.
- Sustainability Context: The report identifies potential impacts on stakeholders in terms of environmental, social and governance in conjunction with current sustainability trends and provides management methods and performance of Easpring.
- Timeliness: The report is an annual report and is released at the same time as Easpring's 2024 annual report to provide timely information reference for stakeholders to make decisions.
- Verifiability: The source and calculation process of the quantitative data disclosed in the report can be traced and can be used to support external verification.

Data Source and Reliability Assurance

The financial data cited in this report comes from the audited "2024 Annual Report" of Beijing Easpring Material Technology Co., Ltd., and other data come from Easpring's public information, internal official documents and relevant statistics. Unless otherwise stated, the monetary amounts involved in the report are measured in RMB.

Get and Respond to the Report

The report is published in Simplified Chinese and English. In case of ambiguity in the understanding of the text, please refer to the Simplified Chinese version. Readers can check and download the electronic documents of this report on Easpring's official website (http://www.easpring.com.cn) and cninfo.com (http://www.cninfo.com.cn). If you have any questions, suggestions and comments about this report, please contact Easpring through the following methods. Address: Building 21, Area 18, Headquarters Base No. 188, South 4th Ring Road West, Fengtai District, Beijing, China

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Chairman's Statement



In recent years, extreme weather has occurred frequently around the world, heavy rains, floods, wildfires and high temperatures have ravaged the land, and the struggle between human civilization and climate change has entered a critical turning point. In this civilized test, global forces are accelerating their gathering. From the historic conclusion of the "Baku Climate Solidarity Pact" at the United Nations Climate Conference (COP29) in Azerbaijan to the total global clean energy investment exceeding US \$2 trillion for the first time, the green transformation of energy has become human's collective front line against climate change — a beacon of hope for breaking the deadlock.

Nowadays, the clean energy industry has become a key engine of China's economic growth. In 2024, the total output value of China's lithium battery industry exceeded RMB 1.2 trillion, with a total production of 1,170 GWh—an impressive 24% year-over-year increase. However, as the United States and Europe introduce protectionist policies for their new energy sectors and resource nationalism gains traction, the industry's business models are undergoing profound shifts. The lithium battery sector has entered a period of deep adjustment, facing numerous uncertainties and challenges. Against this backdrop, we seized the opportunity presented by the rapid growth of the energy storage lithium battery market. By working closely with our partners, we have successfully expanded our market presence, driving strong growth in our lithium iron phosphate (LFP) business. This has become a new pillar of Easpring's development.

We are committed to fostering original technology breakthroughs, using innovation to propel the industry forward. As a technology leader in the global lithium battery cathode material industry. Easpring adheres to the mission of "creating a first-class enterprise and continuously contributing to the era of ecological civilization ". We continue to develop higher energy-density products and solutions, delivering greener and more efficient cathode materials for lithium batteries. In 2024, our R&D team grew to 430 members, with an R&D investment of RMB 370 million. We made significant strides in the development of high-nickel, middlenickel high-voltage products, and next-generation product development have progressed smoothly. The *in-situ* construction of fast-ion layers has effectively addressed the challenges on the solid-solid interface between the cathode and electrolyte. Additionally, high-ionic-conductivity and high-stability nanoscale solid-state electrolytes have been successfully developed. Layered oxide and polyanionic sodium-ion cathode materials have achieved large-scale production and application. The next-generation highcompaction-density lithium iron phosphate (LFP) products have reached an industry-leading level. The high-manganese lithium manganese iron phosphate (LMFP) materials have been successfully deployed in large-scale EV applications in the power battery market. In the future, we will give full play to our technological leadership advantages, and through the innovation of material system design, extreme manufacturing intelligent factories to meet ever-evolving demands of our clients.

We take concrete action in response to climate change, integrating sustainability into every aspect of our operations. In 2024, we formulated the "Carbon Emission Reduction Plan", which clarified emission targets based on multiple emission reduction scenarios and pathways. This plan is closely aligned with the national carbon peaking and carbon neutrality goals. We have also implemented full life-cycle carbon footprint tracking and calculation for key products, enabling precise carbon emission management. By continuously advancing electrification and clean energy transitions, we generated 7,807 MWh of solar power in 2024, achieving significant energy savings and reducing carbon emissions by approximately 4,462 tCO $_2$ e. In addition, Easpring SDIG Panzhihua obtained the ISO 14068 Carbon Neutrality Certification, becoming the first certified carbon-neutral factory in Panzhihua.

We actively contribute to community development and help rural revitalization. We remains deeply engaged with local communities, seeking sustainable support mechanisms that drive employment, educational initiatives, and industrial revitalization. We have provided targeted assistance to Pingyu County, Henan, donating RMB 400,000 and investing RMB 1.78 million in poverty alleviation purchases to support rural industries. Moreover, we continue to care for vulnerable groups through various volunteer activities under the "Learn from Lei Feng" initiative, fostering a harmonious and inclusive community environment.

We are also setting the benchmark for ESG governance, steering Easpring toward long-term sustainable development. We have continuously refined our corporate governance framework and optimized internal policies, embedding ESG principles into our core business strategy. In 2024, we upgraded our Strategic Committee to the Strategy and Sustainability Committee, further integrating ESG considerations into corporate decision-making and operations. Following the AA1000 standards, we have established a more transparent and robust engagement mechanism with stakeholders. Additionally, we introduced a Business Ethics Policy, ensuring that ethical principles and commitments are embedded throughout our business operations.

2024 is a milestone year for ESG disclosures, as global sustainability reporting standards are increasingly aligned. China's A-share market has officially implemented standardized ESG disclosure requirements. We released our second consecutive bilingual ESG report, receiving widespread recognition. We achieved A-level and above ratings in leading ESG evaluation systems such as WIND ESG Rating and CNI ESG Rating. In addition, we were honored with the Best ESG Practice Case Award by the China Association for Public Companies, the ESG Golden Bull Top 100 Award, and the Top 50 Central SOEs in ESG distinction. These achievements reinforce our confidence in advancing sustainable development and driving the green energy transition.

"Plants with strong root grow well, effort with right focus ensure success. "As we navigate this historic energy revolution that will shape the future of humankind, Easpring is committed to working hand in hand with global partners. Driven by innovation, we will steadfastly advance toward a greener, low-carbon, and sustainable future—contributing our strength to building a world where humanity and nature coexist in harmony.

Chairman of Easpring
Chen, Yanbin

Beijing Easpring Material Technology Co., Ltd. (stock code: 300073) is a listed company under Mining and Metallurgy Technology Group Co., Ltd. It was listed on the Growth Enterprise Market of Shenzhen Stock Exchange in April 2010. Easpring is mainly engaged in lithium battery cathode material business and intelligent equipment business.

Principal Activities

Lithium cathode materials business:



Climate Action

Easpring is mainly engaged in the research and development, production and sales of multimaterials, lithium iron phosphate (manganese), lithium cobalt oxide and other lithium-ion battery cathode materials and multi-precursors. At the same time, it has made multi-dimensional advanced products, independently researched and developed a variety of advanced cathode materials such as ultra-high nickel multi-element, cobalt-free, solid-state lithium battery, sodium battery and new lithium-rich manganese base.

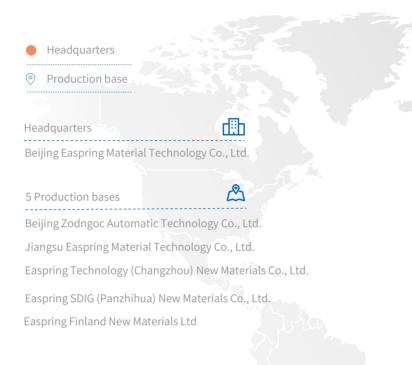
Intelligent equipment business:



Easpring has always focused on the research and development, production and sales of high-end intelligent equipment and its core control and functional components. It is one of the first domestic companies to develop and produce circular knife die-cutting equipment. Its products include circular knife die-cutting machines, quality inspection machines, etc., which are mainly used in consumer electronics, medical care, health, food packaging and other fields.

| Globalization Distribution

Headquartered in Beijing, Easpring already has five production bases (including under construction and to be built) in Tongzhou, Beijing, Changzhou, Jiangsu, Nantong, Jiangsu, Panzhihua, Sichuan, and Kotka, Finland, and has subsidiaries in Hong Kong, Luxembourg, Finland and other places.





Corporate Culture



Corporate mission

To create a first-class enterprise and continuously contribute to the era of ecological civilisation



Corporate values

To be client-centered, striver-oriented, longterm hard work, sustainable innovation.



Corporate vision

To build a world's top-ranking innovative enterprise

To be a respected leader in LIB cathode material industry

Set up a stage for strivers to realize their dreams



Management philosophy

Everyone has his own place, his own responsibility, and his own talent to be applied in his work.

Everything has its own place, being in its own position and resources to be utilized.



Business philosophy

Honest, Pragmatic, Diligent, Innovative



Employment philosophy

To choose talents with virtue and potential



Talent cultivation philosophy

To develop talents and help them make progress



Code of conduct

To be frugal in words, swift in action; cautious in discussion, diligent in thought; unpretentious in appearance, skilled in craft.

Key Performance of 2024

Climate Action

During the reporting period, Easpring's ESG management performance is as follows:



Economic performance



Total assets RMB 17,122 million



Operating income RMB 7,593 million



Net profit

RMB 473 million



Primary earnings per share 0.9316 RMB/share



The total amount of taxes paid is about RMB $\frac{290}{100}$ million

Solution Governance performance



Signing rate of the Letter of Commitment to Integrity and Ten Prohibitions for Integrity is 100%



Proportion of employees participating in anti-corruption training 100%



0 incidents of corruption and bribery



0 data security incidents



Compliance training coverage 100%



Signing rate of compliance commitment letter is 100%

比 Environmental Performance



Greenhouse gas emissions reduction 4,462 tonnes of CO₂e through various measures



Purchased carbon credits to offset 31,665.12 tonnes of CO_2e



Photovoltaic power generated 7,807.51 MWh



Easpring SDIG Panzhihua obtained the ISO14068 carbon neutral certificate, became the first "Carbon neutral factory" in Panzhihua



Total investment in environmental protection RMB 1,399.12 million



100% of cathode material operating production bases obtained ISO 14001 environmental management system certification

Social performance



R&D investment RMB 370 million



430 R&D personnel



A total of 352 patents have been granted in China and abroad



A total of 45 copyrights have been authorized



Employee satisfaction score is **94** 0



The proportion of ethnic minority employees reaches 8%



2 sophisticated and specialized enterprises and 1 laboratory has obtained



100% of the main material suppliers have signed the Supplier Code of Conduct



Total employee training expenditure RMB 1.0336 million



Cash welfare investment amount RMB 24.4884 million

CNAS certification



Non-cash welfare investment amount RMB 12.6005 million



The total investment in safety production is approximately 14.4855 million



Investment in work injury insurance RMB 1.1932 million



Cumulative investment in social public welfare RMB 2.5504 million



A total of 127 employees volunteered and served 528 hours



100% of the cathode material production bases have obtained the ISO 9001 Quality Management System certification



100% complaint handling rate for products and services



100% of the cathode material production bases have obtained the ISO 45001 Occupational Health and Safety Management System certification

Climate Action

ESG Awards and Ratings

The ESG honors and awards obtained by Easpring during the Year mainly include:

No.	Honors and awards	Issuing authority
	Advanced Collective of	Ministry of Human Resources and Social Security of the People's Republic of China
1	Central Enterprises	State-owned Assets Supervision and Administration Commission of the State Council
		Beijing Municipal Science & Technology Commission
2	Beijing High-tech Enterprise	Beijing Municipal Finance Bureau
		Beijing Municipal Tax Service, State Taxation Administration
3	Specialized and Sophisticated Small and Medium-sized Enterprises (SMEs) in Beijing	Beijing Municipal Bureau of Economy and Information Technology
		Jiangsu Economy and Information Technology Commission
		Jiangsu Development & Reform Commission
4	Jiangsu Province Recognized Enterprise Technology Center	Jiangsu Provincial Department of Science and Technology
		Department of Finance of Jiangsu Province
		Jiangsu Provincial Tax Service, State Taxation Administration
		Nanjing Customs District P.R.CHINA
5	Jiangsu Intelligent	Industry and Information Technology Department of Jiangsu
	Workshop	Department of Finance of Jiangsu Province
6	Provincial-level Specialized and Sophisticated SMEs	Jiangsu Provincial Department of Industry and Information Technology
7	Jiangsu Engineering Research Center	Jiangsu Development & Reform Commission
8	Jiangsu Gazelle Enterprise	Productivity Center Of Jiangsu Province
		-

ESG Awards and Ratings



The 2nd Guoxin Cup ● ESG Golden Bull Award Top 50 Central Enterprises

China Securities Journal



The 2nd Guoxin Cup ● Top 100 ESG Golden Bull Awards

China Securities Journal



2024 Public Company Sustainability Best Practice Cases

China Association of Listed Companies



The 3rd Xinhua Credit Jinlan Cup ESG Excellent Cases

China Economic Information Service

Wind ESG















02

Governance

Easpring is committed to integrating sustainable development into daily operations, establishing good relationships with various stakeholders, and ensuring Easpring's sustainable development and long-term value. At the same time, Easpring adheres to the concept of compliance, integrity and stable operation, constantly improves the scientificity and transparency of decision-making, improves the risk management and control system, and abides by the business code of conduct with high ethical standards to protect the steady development of Easpring.

Responses to issues in this chapter

- Corporate governance
- Risk managemer
- Anti-commercial bribery and anti-corruption
- Data security and client privacy protection
- Anti-unfair competition

This chapter responds to SDGs





Key Performance in this Chapter

- Compliance training coverage 100%
- Signing rate of compliance commitment letter 100%
- Proportion of employees participating in anti-corruption training 100%
- The signing rate of the "Letter of Commitment to Integrity" and "Ten Prohibitions for Integrity" is 100%
- The corruption and bribery incident is 0
- The data security incident is 0



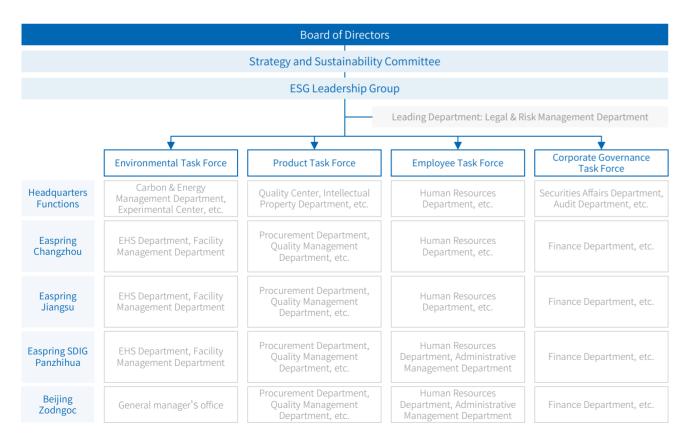
Sustainability Management

Under the background of the deepening of the new global consensus on sustainable development, Easpring has deeply integrated the core concept of ESG into Easpring's business operation and strategic decision-making, built a multi-level ESG vision, policy and governance system, promoted the achievement of the SDGs, established communication with global stakeholders, and helped the global green economy transformation and sustainable development of mankind through co-creation of issues, value sharing and responsibility sharing.

Sustainable Development Governance

Sustainability Governance Structure

Under the leadership of the board of directors, Easpring has formed an ESG governance structure including decision-making, management and executive levels, and clarified the composition and responsibilities of each level to provide organizational guarantee for the effective development of Easpring's ESG work.



ESG Governance Structure

Personnel composition and responsibilities of ESG governance structure Organizational Personnel organization Responsibility structure Establish a top-down, standardized, and effective ESG management framework under the leadership of the board of directors. The board has established a Strategy and Sustainability Committee, which is responsible for researching Strategy and 7 Directors, including 2 and proposing recommendations on Easpring's ESG Sustainability independent Directors and 1 development strategy and management of ESG-related issues. Committee of female Director The committee is in charge of managing and supervising the the Board impacts, risks, and opportunities related to sustainable development, guiding and overseeing the implementation and improvement of ESG initiatives, and reporting to the board of Responsible for the organization, implementation and promotion of Easpring's ESG work, organizing and ESG Leadership implementing Easpring's annual ESG development strategy, Company executives management work plan and objectives, revision of ESG-related systems, identification and management of ESG risks, ESG performance evaluation and management, etc. Heads of functional Responsible for information collection, analysis and departments of Easpring's improvement of relevant ESG issues, understanding and ESG Task Force¹ responding to the expectations of stakeholders, and reporting headquarters and relevant departments of subsidiaries ESG-related work to the ESG leading group.

The leading department of Easpring's ESG work is the Legal & Risk Management Department, which is directly led by Easpring's general manager. It is responsible for coordinating the ESG management work of all relevant business departments and subsidiaries. The ESG specialist of the headquarters and the ESG secretaries of the subsidiaries jointly build an effective ESG work network and establish an ESG working mechanism with dynamic response and effective communication to ensure that ESG practices can be effectively implemented and promote the realization of long-term sustainable development goals.

During the reporting period, Easpring renamed the "Strategy Committee" as the "Strategy and Sustainability Committee". The members have professional backgrounds in human resources, business ethics, safety and environmental protection, quality, supply chain and compliance risk management, and have high professionalism and diversity. The Committee leverages its professional advantages to conduct forward-looking research and scientific decision-making on ESG governance and other aspects, identify and manage Easpring's substantive issues, and complete the review of Easpring's annual ESG report.

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FSG Task Force covers Environmental Task Force, Product Task Force, Employee Task Force and Corporate Governance Task Force

Sustainability Governance Strategy

Easpring adheres to the path of green, high-quality and sustainable development, insists on innovation-driven development, and constantly explores new products and new processes, practice quality first and win the trust of clients with high-quality products and services, promote green production methods and build a green, environmentally friendly, energy-saving, efficient and low-carbon cycle production system, improve the governance system and realize scientific and standardized compliance governance, actively give back to the society, pay attention to the growth of employees, unite the upstream and downstream industrial chain for coordinated development, and share the development results with clients, shareholders, employees, industry and society.

ESG Vision

Adhering to the mission of "create a first-class enterprise and continuously contributing to the ecological
civilization era", we promotes energy transformation with green materials and intelligent manufacturing,
and create corporate value with integrity and excellent operation. Additionally, we works together with
clients, shareholders, employees, industry and community to achieve sustainable development.

ESG Policy

· Sustaining innovation, excellent quality, green cycle, compliance governance, harmonious sharing

Sustainability Risk Management

On the basis of the ESG governance structure, Easpring integrates ESG risk management into the operation management system, formulates and implements the " Easpring ESG Management Measures", and outputs supporting work manuals and instrumental documents to accurately identify and prudently evaluate ESG risks that may be faced in the business, dynamic monitoring, timely improvement and tracking management to achieve comprehensive management of Easpring's ESG risks.

ESG Risk Management Steps

01

Identifying Risks

- Carry out surveys, seminars, interviews with risk owners and other methods to identify ESG-related risks in strategic decisions and important business processes;
- Further refine and identify environmental risks, social risks and corporate governance related risks against ESG issues and external regulatory requirements.

02

Assessing Risks

 Analyze the likelihood of occurrence and impact of ESG risks to prioritize key risks and effectively allocate resources to address them. 03

Managing Risks

- The ESG Task Force formulates and implements measures to mitigate, transfer or avoid risks, and formulates contingency plans to minimize the adverse effects of identified risks.
- Easpring tracks and accepts the improvement results of the ESG Task Force.

04

Monitoring and Reporting

- Continuously monitor changes in internal and external environment and make timely revisions ESG risk response measures and priorities, and review them periodically.
- Report ESG performance to the management, and establish ESG risk awareness and continuous management capabilities of all employees within Easpring.

In the context of global ESG risks continuing to rise, ESG risk management has become one of the keys to building the core competitiveness of Easpring's overseas projects. Easpring has built an ESG risk management system throughout the entire project life cycle, established an ESG risk screening mechanism during the due diligence stage of the investment front-end, and integrated into international standards such as EU *Corporate Sustainability Reporting Directive* (CSRD) *and Corporate Sustainability Due Diligence Directive* (CSDDD).

Climate Action

Before project investment

Applying rules based on principle for responsible investment, Easpring organized internal and external experts and consulting agencies in finance and taxation, safety, environmental protection, legal affairs, compliance, etc. to conduct due diligence, and paid attention to ESG indicators such as production carbon emissions, proportion of green energy usage and impact on the environment of the project to ensure that they comply with ESG-related laws, regulations and standards.

Investment implementati on stage

Easpring continues to follow up on the financial indicators and operation of investment projects, supervises whether the project companies comply with relevant laws and regulations such as environmental protection and labor, and actively follows up on the research and development and upgrading of renewable energy and clean technologies.

Postinvestment management stage

Easpring regularly evaluates projects, covering multiple dimensions such as market conditions, financial performance, compliance operations and social responsibility, and ensures the realization of ESG management objectives through risk response plans and improvement of corporate governance structure.

During the reporting period, Easpring submitted the environmental license application for the first phase of multi-material production line to the local government of Finland. Based on the design concept of "green environmental protection, energy saving, high efficiency, intelligence and wisdom", the new project fully met the requirements of the Finnish government and overseas partners for the environmental sustainable development of the project, and the EIA approval process was successfully completed in less than six months.



Cover page of the Easpring Finland 's environmental permit approval document

project's suppliers, emphasizing the importance of ESG during the project implementation process, fully reviewing

17 PARTNERSHIPS

Y

15 LIFE ON LAND

13 CLIMATE ACTION

Sustainable Development Goals

In response to the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), Easpring identifies its role in solving social and environmental problems, matches its core business activities with the goals of the SDGs, and ensures that Easpring's efforts are consistent with the global vision of sustainable development. Specifically, Easpring has carried out key actions around the following sustainability goals.

Key Company Actions in 2024

Goal 1 No Poverty

• Through various forms such as consumption assistance, financial donations, and targeted assistance, Easpring solves the development problems of the assistance areas, continuously consolidate and expand the achievements of poverty alleviation, and continue to promote the development of poverty-stricken areas and rural revitalization.

Goal 17 Partnerships for the Goal

- Linkage business partners upstream and downstream of the value chain, continue to carry out technical exchanges, and continuously deepen industry exchanges.
- Optimize client service quality, improve client satisfaction and respond to client needs in a timely manner.

Goal 16 Peace, Justice and Strong Institutions

- Continuously carry out business ethics and integrity management, effectively operate the risk control
 management system, and continuously improve Easpring's compliance management level.
- The signing rate of employees' "Integrity Commitment Letter" and the signing rate of suppliers' "Sunshine Cooperation Agreement" reached 100%.

Goal 15 Life on Land

- New projects strictly implement environmental impact assessment requirements, and the project construction
 meets the ecological environmentzoning management and control requirements of "three lines and one list"
 (ecological protection red line, environmental quality bottom line, resource utilization online, and ecological
 environment access list).
- Prioritize sustainable cooperation with supplier partners who provide environmentally friendly products or services to achieve double savings in production resources and manufacturing costs.

Goal 14 Life below Water

- Continue to optimize the production wastewater treatment process to achieve "near-zero discharge" of production wastewater.
- The reuse transformation of precursor wastewater was carried out, and the washing water reuse rate of more than 90% was achieved

Goal 13 Climate Action

- Actively respond to climate change, identify climate-related risks, and accurately invest Easpring's superior resources in climate risk response actions.
- Lay out the clean business strategy, build a carbon neutral factory, plan the dual-carbon development path, and promote the green and low-carbon transformation of the business.

Goal 12 Responsible Consumption and Production

- Increase the proportion of clean energy use, implement energy conservation and carbon reduction measures, reduce pollutant emissions, and practice sustainable development.
- Continue to build a circular, low-carbon, open, transparent, and mutually beneficial green and sustainable supply chain, incorporate key carbon management indicators such as total carbon emissions and carbon footprint intensity into the supplier evaluation system, and promote the recycling of key raw materials in the industrial chain.

Goal 3 Good Health and Well-being

- To ensure the health and safety of employees, Easpring set and achieved the goal of "0 death, 0 fire, and 0 new occupational case".
- Achieve 100% rectification rate of potential safety hazards and 100% completion rate of employee occupational health examination.

Goal 4 Quality Education

- Continue to carry out caring activities for the disabled for designated assistance units, constantly
 meet children's learning and activity needs, and continuously improve and optimize the learning and
 living environment.
- Carry out the "Pursuing dreams of education" campaign, set up scholarships and link them to their salary levels, and continue to promote the improvement of Easpring's youth literacy and the construction of industrial workers.

Goal 5 Gender Equality

- Pay attention to the diversity of the board of directors and continuously increase the proportion of female directors and management.
- Implement the concern and emphasis on female employees and create a company atmosphere full of humanistic care

Goal 7 Affordable and Clean Energy

- Provide advanced key materials for the new energy industry, continue to achieve innovative breakthroughs, build a forward-looking R&D layout, provide technical solutions for the application and promotion of new energy, and promote social energy transformation.
- Develop and continuously increase investment in renewable energy infrastructure, actively implement energy-saving technological transformation projects, and improve energy efficiency.

Goal 8 Decent Work and Economic Growth

- Create an equal, harmonious and diverse workplace environment, and provide jobs and employment opportunities for people with disabilities.
- Implement several rounds of equity increase plans for management and core backbones to further encourage the management team and core backbones to create value.

Goal 9 Industry, Innovation and Infrastructure

- Accelerate the high-quality research and development of cathode materials, improve
 competitiveness in the field of multi-materials and precursors, and lead the development of
 the industry.
- Consolidate the foundation of product quality management, promote intelligent manufacturing upgrades, and achieve double improvement in quality and efficiency.

Goal 10 Reduce Inequalities

- The Human Rights Policy has been formulated and published on the Internet to provide employees with diversified care and benefits and create an equal and inclusive working environment.
- Adhere to equal employment opportunities, recruit and employ ethnic minority employees from different ethnic groups, and ethnic minorities account for 12% of the management.

Goal 11 Sustainable Cities and Communities

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ⅉ

8 DECENT WORK AND ECONOMIC GROWTH

• Take measures such as saving water in production to build water-saving enterprises, from carrying out daily operation and maintenance to implementing special equipment water-saving projects, effectively reduce municipal water consumption, alleviate social water pressure, and help sustainable city and community construction.

(21)

Sustainable

Development Goals

(SDGs)

About Easpring Governance Climate Action Ouality, Innovation and Development **Environmental Protection** Value Chain Management Employee and Community Care **Appendix** ESG Report | 2024

Materiality Assessment of Issues

Stakeholder Communication

Adhering to the principles of integrity, interaction, equality and transparency, Easpring actively interacts with stakeholders through regular, multi-channel and multi-form stakeholder communication channels to understand their suggestions and feedback, which serves as an important basis for improving Easpring's operating policy and sustainable development strategy.

During the Reporting Period, Easpring regularly recorded, measured and reviewed the communication with stakeholders in accordance with relevant international standards and guidelines such as GRI Standards and AA1000 Stakeholder Communication Standards, improved the communication mechanism in a timely manner based on the feedback from stakeholders, and continuously improved the effectiveness and timeliness of communication with all stakeholders.

The communication between Easpring and various stakeholders is as follows:







Shareholders and

Investors

Corporate governance

Intellectual property

Risk management

Innovation driven

management







Staff





Media and NGOs

Stakeholders

Expectations

stakeholders

of

Government and **Regulatory Authorities**

- Anti-commercial bribery and anticorruption
- Innovation driven
- Pollutant emissions
- Utilization of energy Environmental
- compliance management

submission (as

• Seminar meeting (as

Daily approvals (as

communication (as

Information

required)

required)

required)

needed)

Policy

- Product quality and safety · Client service and
- Responsible supply chain
- Responding to climate change
- privacy protection
- Company mail (as required)
- Client satisfaction survey (once a year)
- Industry exhibitions (as required)
- Technical seminars (once a month)
- Inspection and Business negotiations (as research (as required) required) implementation and

Client

- communication
- Data security and client
- Compliance marketing
 - Company mail (as required)
 - Performance briefing (once)
 - a year)

Roadshow communication

 Investor Meetings (as required)

trading day)

- Interactive Q&A (once a Investor Hotline (every
- Research visits (as required)

Suppliers

- Industry Cooperation and Development
- Responsible supply
- chain
- Equal treatment to
- Anti-commercial bribery and anticorruption
- · Anti-unfair competition
- Technical seminars (as needed)
- Business negotiations (as required)
- Industry conferences (as required) Supplier Meeting
- (annually) • Supplier training (once a
- **Supplier satisfaction** survey (annually)

- **Directors and Senior** Management
- Risk management Occupational health and safety
- · Innovation driven
- · Product quality and safety
- · Employee rights and benefits

Company mail (as

Communication

meetings (as

• Board meetings (as

Special committee

Internal meetings (as

meetings (as

required)

required)

required)

required)

required)

- Occupational health and safety Compliance employment
- Employee development

• Company mail (as required)

required)

month)

(irregular)

Telephone or verbal notification (as

• Notification of trade union group and

• Employee satisfaction survey (annually)

employees' group (as required)

Suggestion box (collected once a

Trade union and workers' congress

Management Reception Day (monthly)

• Employee workshop (irregular)

Q&A session (when needed)

- Equality, diversity, inclusion
- Employee rights and benefits
- resources Chemicals management

Community

- Community contribution Rural revitalization
- · Compliance employment
- · Pollutant emissions
- · Utilization of water

a year)

year)

needed)

• Daily care (quarterly)

assistance needs (once a

Policy implementation and

• Employee volunteering (as

Communications and

visits(as required)

• Ethnic minority festival

interaction (once a year)

communication (as needed)

Communication of

- Innovation driven
- · Social contribution and rural revitalization
- Responsible supply
- · Responding to climate change
- · Data security and client privacy
- protection Inspection and survey (twice
 Media interview
 - Press conferences (as required)
 - Press releases (irregular)

activities (as required)

- Industry exhibitions (as required)
- Communications and visits(as required)

Communication methods and frequency

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Materiality Assessment

Based on its own strategic planning and operating practices, Easpring refers to the Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation) and Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange — Preparation of Sustainability Report and GRI standards and other disclosure standards have updated the issue assessment method and carried out double materiality assessment. The double materiality assessment process carried out by Easpring is as follows:

Step 1



Issue identification

Identify potentially important issues and establish an issue bank based on Easpring's business activities, business relationships, ESG standards and other factors

Step 2



Degree of impact (including scale, scope, irremediability): stakeholder questionnaire survey Possibility: internal and external ESG expert assessment



2-2 Financial materiality assessment

Assess the financial materiality of each issue from the two dimensions of impact degree and possibility of occurrence, integrate expert opinions on finance and sustainability, and review the assessment results by senior management

Step 3



Double materiality assessment analysis

Based on the assessment data in Step 2, form a matrix of materiality issues in 2024, and determine the materiality issues and their priorities for the year

Step 4



Issue identification and report

The Board of Directors of Easpring reviews and confirms ESG materiality issues, ensures that the issues are closely aligned with Easpring's ESG management practices, and discloses them in the annual ESG report

Issue Identification

Easpring complies the Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation) and fully combines Easpring's business activities, business relationships, ESG standards, ESG ratings, peer practices and other factors to establish the Easpring "1 + N" materiality issue database.

Impact Materiality Assessment

Easpring assesses the importance of the impact of each topic based on the two dimensions of "Impact degree assessment" and "Possibility assessment" through questionnaire surveys with stakeholders and communication with internal and external ESG experts.

Dimension 1: Impact degree assessment



- Scale: The magnitude of the impact. For positive impacts, it refers to the degree of benefit or potential benefit.
- Scope: The extent of the impact. For example, the number of individuals or the range of environmental resources affected or potentially affected by positive impacts.
- Irreversibility: The difficulty of offsetting or compensating for the harm.

Dimension 2: Possibility assessment



• The potential for negative impacts refers to the likelihood or probability of adverse effects occurring.

During the reporting period, Easpring conducted stakeholder questionnaire survey and distributed online survey questionnaires to 11 types of stakeholders. A total of 127 questionnaires were collected in this survey, and the stakeholders' impact and importance assessment on each topic were identified. After communicating with relevant stakeholders and external experts, 30 issues with impact and importance were finally determined.

² In the "1+N'" framework, the '1' refers to the Self-Regulatory Guidelines No. 17 for Listed Companies—Sustainable Development Report (Trial), and the 'N' refers to mainstream ESG ratings, ESG special reports of centrally-controlled listed companies, and peer company issues.



Financial Materiality Assessment

Easpring comprehensively considers factors such as market price, trend forecast, Easpring's costs and profits in previous years, as well as the possibility of occurrence, and evaluates the financial importance of each issue from two dimensions: the degree of financial impact, the possibility of risks and opportunities, and has successively reviewed and finally confirmed by the finance department, ESG Task Force and ESG Leadership Group.

Dimension 1: The degree of financial impact



 Analysis can be conducted from perspectives such as the continuity of resource use and the dependency on the relationship for ongoing business operations (for example, investors, upstream suppliers, downstream clients, etc.).

Dimension 2: The possibility of risks and opportunities



• The possibility of financial impact occurring needs to take into account the cumulative probability over a period of time to cover the long-term scope.

Results of Double Materiality Assessment

Easpring sorted out the impact materiality and financial materiality assessment results, comprehensively analyzed and ranked the materiality of relevant issues, and the materiality assessment results of issues were reviewed by the Strategy and Sustainability Committee and approved by the Board. According to the evaluation results, Easpring sorted out the sustainable development strategy and goal setting, and re-examined the management of significant sustainable development-related impacts, risks and opportunities. At the same time, Easpring makes targeted information disclosure according to the priority of the evaluation results, so as to ensure targeted response to the concerns of all parties. Among them, the topic of "Response to Climate Change" is of high double importance to Easpring. Therefore, this report discloses the topic of "Response to Climate Change" from four elements: "Governance", "Strategy", "Impact, Risk and Opportunity Management" and "Indicators and Targets" in accordance with the requirements of the Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation).



List	of Materiality Issues				
1	Innovation driven	11	Digital construction	21	Circular economy
2	Product quality and safety	12	Anti-commercial bribery and anti- corruption	22	Waste disposal
3	Occupational health and safety	13	Pollutant emissions	23	Utilization of water resources
4	Responding to climate change	14	Compliance employment	24	Compliance marketing
5	Corporate governance	15	Environmental compliance management	25	Supply chain security
6	Intellectual property management	16	Employee development	26	Equal treatment to SMEs
7	Responsible supply chain	17	Employee rights and benefits	27	Equality, diversity, inclusion
8	Risk management	18	Data security and client privacy protection	28	Social contribution and rural revitalization
9	Utilization of energy	19	Anti-unfair competition	29	Ecosystem and biodiversity conservation
10	client service and communication	20	Chemicals management	30	Ethics of science and technology

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Corporate Governance

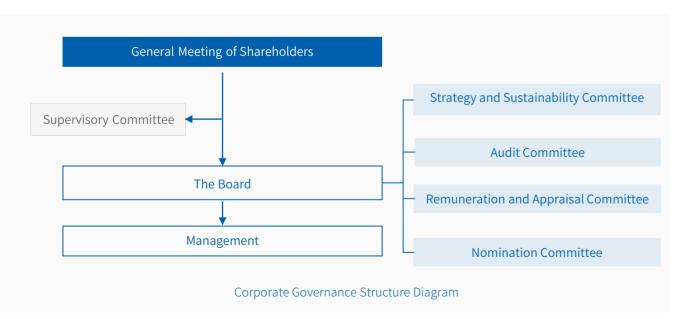
Easpring has always strictly abided by The Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Listing Rules governing the listing of stocks on ChiNext Markst of shenzhen stock Exchange, the Guidelines for Self-Regulation of Listed Companies of Shenzhen Stock Exchange No.2-Standardized Operation of Listed Companies on GEM and other relevant laws, regulations and normative documents, continuously standardized Easpring's operation, strived to improve the level of corporate governance, and ensure the compliance and stability of Easpring's operation.

Governance System

Governance Structure

Easpring has established a governance structure consisting of the general meeting of shareholders, the board of directors, the board of supervisors and the management of Easpring, and strictly follows the corporate governance structure to exercise and perform their duties through the election of directors and supervisors at the general meeting of shareholders and the appointment of senior management by the board of directors, so as to give full play to the role of the highest authority of the general meeting of shareholders, the major decisions of the board of directors, the supervision of the board of supervisors, the execution by the management and the support of the special committees of the board of directors in the decision-making of the board of directors.

During the reporting period, Easpring held a general election of the board of directors. The sixth board of directors consisted of 9 directors, including 6 non-independent directors and 3 independent directors. For details of basic personnel information, please refer to the chapter "Easpring 2024 Annual Report-Section IV Corporate Governance-VII. Directors, Supervisors and Senior Management".



Diversity and Independence

The diversity of board members is of great significance to improve corporate governance and ensure the effectiveness of the board of directors. Easpring follows the international ESG governance concept, improves the diversity level of the Board, and ensures that the Board has appropriate skills, experience and diversified perspectives according to the needs of Easpring's business. Easpring's directors have backgrounds in strategic planning, corporate management, battery material research and development, financial internal control, industrial investment, capital operation and other disciplines, and have a reasonable professional structure. During the reporting period, there was one female director, accounting for 11.11%.

Independent directors play a key role in the board of directors system. The independent directors of Easpring combine their professional expertise to participate in various major decisions of Easpring and prudently express independent opinions, safeguarding the legitimate rights and interests of Easpring and all shareholders, and improving the scientificity and professionalism of the board of directors' decisions. The audit committee, remuneration and appraisal committee and nomination committee under Easpring's board of directors are all chaired by independent directors, and independent directors account for more than half.

During the reporting period, all independent directors submitted the Independence Self-examination Form of Independent Directors. The board of directors of Easpring evaluated the independence of independent directors and issued special opinions. Easpring did not have any situation affecting the independence of independent directors.

Training for Directors, Supervisors and Senior Management

In order to cultivate the ESG awareness of directors, Easpring's directors, supervisors and senior executives receive training on ESG matters in a regular basis, including ESG topics such as anti-corruption, environmental protection and carbon emissions, so as to enhance their understanding and understanding of ESG and improve Easpring's ESG governance capabilities. During the reporting period, Easpring's directors, supervisors and senior executives participated in ESG training a total of 19 times, training coverage rate is 100%.

Performance Assessment

Easpring convenes the general meeting of shareholders, the Board of Directors and the Board of Supervisors in strict accordance with the Articles of Association, the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Board of Supervisors and other regulations and requirements, so as to ensure that all business decisions are objectively, scientifically and effectively safeguard the interests of Easpring and all shareholders. During the Reporting Period, the Board reviewed 76 proposals, including 15 proposals related to ESG.

Adhering to the principle of "remuneration is compatible with Easpring's benefits and combined with Easpring's longterm interests", Easpring links remuneration assessment with ESG sustainable development indicators. During the Reporting Period, Easpring revised the "Remuneration Management System for Directors" and "Remuneration and Appraisal Management for Senior Management[®] and other systems, including ESG indicators such as safety, quality and compliance management into the senior management's annual operating performance appraisal responsibility letter, and set corresponding appraisal weights.

At the same time, Easpring has established a restraint mechanism for executive compensation. If major environmental, safety, compliance, ESG events and other aspects cause significant losses to Easpring or cause operational difficulties or decline in Easpring's reputation, the board of directors shall decide to partially or completely cancel the responsible person's performance compensation for the year.

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Business Ethics

Business Ethics Management

Easpring always upholds the concept of honesty and integrity, and has zero tolerance for all violations of business ethics and corruption. Easpring strictly abides by the Anti-Money Laundering Law of the People's Republic of China, the Supervision Law of the People's Republic of China and other laws and regulations, is committed to conducting business in accordance with all applicable laws, regulations and the highest business ethics standards, and thoroughly implements the commitment to attaching importance to business ethics into Easpring's policies and the entire process of business development. During the Reporting Period, there was no incident of commercial bribery and corruption.

Easpring continues to improve the system of business ethics and integrity, formulates the Anti-Fraud and Complaint Reporting Management System, Anti-Corruption and Anti-Bribery System and other systems, and publishes the Business Ethics Policy on the official website of Easpring, the anti-fraud policy, complaint reporting process and protection measures for complaints and whistleblowers on the official account of Easpring, requiring all employees, clients, suppliers, service providers, contractors and other partners to follow the policies and standards of Easpring. During the reporting period, Easpring conducted business ethics surveys covering all operating factories to ensure that business operations comply with Easpring's ethical standards.

Easpring thoroughly implemented the commitment to attach importance to business ethics in the whole process of Easpring's policies and business development, carry out joint integrity control projects, comprehensively sort out the rules and regulations, business processes, power operation and other links, identify potential integrity risk points, and formulate targeted prevention and control measures. At the same time, taking the opportunity of information construction such as SAP and MES, Easpring embedded the joint integrity control project into the information system, organically integrated risk prevention and control with the business development, and further improved the integrity management capability.

Construction of Integrity Culture

In order to protect the interests of all stakeholders and maintain a fair and clear business environment, Easpring signed the "*Ten Prohibitions for Integrity*" and "*Integrity Commitment Letter*" with all employees, which restrict employees' external business behavior and daily style, and clearly stipulate that all employees are prohibited from soliciting, accepting or accepting gifts, property and securities from suppliers, potential partners and other units or individuals related to the exercise of their functions and powers, and are prohibited from accepting banquets, travel, fitness and entertainment activities that may affect the fair exercise of their functions and powers.

Ten Prohibitions in the Honest Commercial Practice

- Do not conduct covert deals, collude on base prices, disclose trade secrets of the Company, or seek personal benefits
- Do not engage in activities that seek personal benefits by taking advantage of the convenience of one's own work or the Company's resources
- Do not sign false contracts, conceal, transfer or hold back customer returns and supplier payments
- Do not misrepresent or misappropriate business funds
- Do not seek improper benefits from business units by exploiting the power on hand

- Do not privately accept any money or items from business units (including cash, electronic red envelopes, gift cards, securities, other types of payment vouchers and gifts). The received gifts must be handed over to the Company's General Manager Office
- Do not engage in any private transactions or borrowing of property with business units
- Do not accept any form of banquet invitation from suppliers
- Do not attend non-work related meetings with suppliers
- Do not organise or participate in any unhealthy entertainment

Easpring conducts regular identification and training for positions with high integrity risks, including regular integrity training for directors, supervisors and senior management, pre-job integrity education for new employees, and on-site warning education for personnel in procurement, sales and engineering positions. At the same time, Easpring adopts new educational methods such as interactive and experiential, including interactive mini-games, online integrity answers, holiday integrity reminder videos, collective learning and other forms to effectively improve personnel's awareness and level of integrity. During the Reporting Period, Easpring's employees participated in business ethics training for 1,501 hours in total, and the proportion of employees participating in business ethics training reached 100%.



Integrity Warning Education



Ethics Training for Key Posts

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Supplier Integrity Management

Easpring has always set high standards for itself, strictly abides by business ethics and relevant laws and regulations, and expects suppliers to share the same commitment. Easpring has formulated the Code of Conduct for Suppliers, which requires suppliers to adopt a zero-tolerance policy for violations of business ethics, and signed the Sunshine Cooperation Agreement with partners, requiring them not to ask for or accept kickbacks, benefits, thanks fees, gifts, securities and valuables during the cooperation process, and not to use business relationships to seek personal benefits. During the reporting period, the signing rate of suppliers' "Sunshine Cooperation Agreement" was 100%.

Easpring strengthens supplier compliance supervision, conducts regular supplier reviews, clarifies the code of conduct of both parties in business dealings, and jointly creates a fair and transparent cooperation environment. Easpring conducts supplier integrity seminars and integrity training every year to help them understand and comply with relevant laws and regulations and Easpring's integrity policies, and prevent corruption risks from the source. During the reporting period, Easpring held the 2024 annual partner symposium to publicize and implement suppliers around the "Sunshine Cooperation Agreement", "Business Ethics Policy" and "Integrity Practice", and the supplier training coverage rate was 100%.







A Letter to Partners

Complaints and Reports

Easpring has established a smooth, timely and effective reporting channel, which is made public on the official website and WeChat official account. All parties in the society can complain and report any violation of business ethics, corruption, bribery and fraud through the reporting channels below.

Complaint reporting channels:

- On-site complaints and reports
- Telephone complaint report: 010-52269709
- E-mail complaints: shenji@easpring.com
- Mailing address for letter complaints and reports: Easpring Audit Department, Building 21, Area 18, Headquarters Base, No.188 South Fourth Ring West Road, Fengtai District, Beijing (Zip Code: 100160)

Easpring encourages and advocates real-name complaints and reports, and accepts anonymous complaints and reports. According to the degree of loss recovery of the complaints and reports, Easpring commends and reward the complaints and whistleblowers, and encourage employees, personnel from external units and other internal and external relevant parties to report violations of professional ethics, corruption, bribery and fraud.

Whistleblower Protection

Easpring strictly keeps confidential the identity information of the complainant and whistleblower and all complaint and report materials received, keeps confidential in all aspects such as reporting, acceptance and investigation, and strictly prohibits disclosure of the personal privacy information of the complainant and whistleblower. No department or individual may retaliate against the whistleblower under any pretext. When the personal safety of the whistleblower is threatened, Easpring will take timely protective measures and investigate the corresponding responsibilities for the whistleblower who retaliates; Anyone suspected of committing a crime will be transferred to the judicial organ to safeguard the rights and interests of the whistleblower according to law. During the Reporting Period, there was no incident of information leakage or retaliation by whistleblower.



Compliance Operations

Compliance Management

Easpring strictly abides by laws and regulations such as The Compangy Law of the People's Republic of China, the Provisional Regulations on the Supervision and Administration of State-owned Assets of Enterprises, and the Basic Standards for Enterprise Internal Control, and continuously strengthens its operation management and risk prevention and control capabilities to promote the sustainable development of Easpring.

Easpring has established a comprehensive risk and compliance management committee, which is responsible for overall leadership and overall coordination of compliance management, and clarifying the plans and objectives of compliance management. Under the leadership of the committee, Easpring formulated the Easpring Compliance Management Measures, established a management framework covering four major systems: organizational leadership, operational mechanism, cultural cultivation and assessment guarantee, and effectively solved the core issues such as "who is in charge of compliance management; What to manage and how to manage compliance management". At the same time, Easpring systematically builds a "three lines of defense" risk prevention and control system with clear responsibilities, clear division of labor, and orderly coordination, and comprehensively improves Easpring's legal and compliant operation level through the full-chain closed-loop management of "pre-risk early warning," dynamic management and control in the process, and post-audit supervision". During the reporting period, Easpring successfully passed the on-site evaluation of the effectiveness of the compliance management system organized by the State-owned Assets Supervision and Administration Commission.

Easpring continues to improve the compliance operation mechanism, comprehensively sorts out the business risks of 10 key business departments, builds a risk database and updates and adjusts it every year, and establishes a list of job responsibilities to implement compliance employment. Easpring has set up a compliance management team, and set up full-time (part-time) compliance administrators in all functional departments and operating factories, who are served by each business backbone and vertically managed by the legal and risk control department of the headquarters, so as to promote the in-depth implementation of compliance management. In addition, Easpring has established a high-risk control system of "legal construction, compliance management, internal control construction, risk management and control, accountability for violations, and audit supervision", effectively enhancing compliance enforcement, giving full play to the synergy of risk prevention and control, and providing a solid guarantee for Easpring's high-quality development.

Easpring has fully integrated compliance assessment into the management work of the headquarters and subordinate units, evaluated their compliance performance, and used the assessment results as an important basis for employee assessment, cadre appointment, unit (department) evaluation and other work. At the same time, Easpring incorporates compliance management training into its annual training plan, and takes members of leadership teams at all levels, managers, personnel in important risk positions, new recruits and overseas personnel as key personnel for compliance training, so as to continuously improve the compliance awareness and ability of all employees. During the Reporting Period, Easpring's new recruits' induction compliance training and compliance training rates for key positions were 100%, and the signing rate of compliance commitment letters was 100%.



2024 New Employee Induction Compliance Training



Compliance Commitment Letter Signing Ceremony



Anti-unfair Competition

Easpring strictly abides by the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations, formulates internal systems such as the Business Ethics Policy and the Code of Conduct for Suppliers, adheres to the principle of fair trade, and ensures that no unfair competition is conducted in business activities. During the Reporting Period, there was no risk event of unfair competition.



Tax Administration

Easpring strictly abides by the Enterprise Income Tax Law of the People's Republic of China and other tax-related laws and regulations, and is committed to tax management in accordance with laws and regulations. Easpring implements multi-dimensional risk management and control measures to ensure tax compliance and effectively prevent potential risks. Easpring regularly carries out tax knowledge training and publicity activities to continuously improve employees' tax professionalism and compliance awareness. Easpring entrusts a third-party professional organization to issue an annual tax declaration audit report and a special report on super deduction of R&D expenses every year to further strengthen the supervision and management of corporate tax payment behavior. Easpring adheres to paying taxes in good faith in accordance with the law, Easpring Jiangsu, Easpring Changzhou and Beijing Zodngoc successfully passed the government tax inspection and maintained a good record of A credit rating.

During the reporting period, Easpring conducted in-depth research on overseas tax policies, actively responded to and effectively controlled overseas tax risks, successfully completed tax declaration or payment of overseas projects in Hong Kong China, Luxembourg and Finland, ensured the tax compliance of global business operations, and provided a solid guarantee for Easpring's international development.

Information Security and Privacy Protection

Easpring strictly abides by relevant national and regional laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Data Security Law of the People's Republic of China, and comprehensively regulates employees' behavior during information system operation and network information processing, so as to ensure information security and compliance management. During the reporting period, there was no data security incident or client privacy leakage incident.

Easpring set up an information security committee to implement top-level decision-making and strategic coordination. At the level of operation and execution, a matrix management model is established. The information technology department of the headquarters is responsible for company-level information security management, and each subsidiary implements localized information security management and control, and establishes a cross-departmental emergency response collaborative process.

Easpring has formulated the "Information System Emergency Plan", "Computer Network Information Management Regulations", "Trade Secret Protection Management Measures", "Trade Secret Leakage Emergency Plan" and other systems, and carried out hierarchical management and protection of information to ensure that trade secrets including client information are effectively protected. At the same time, Easpring completed network reinforcement of the data center based on the three-level standard of information security protection, and deployed and upgraded encryption systems in Easpring's two major business segments respectively.

Easpring pays attention to the training and publicity of information security and privacy protection, and carries out network information and data security training for new employees by broadcasting network security prevention skills on LED screens in employee groups and public areas, holding network security publicity month and other activities, so as to improve employees' network security prevention skills. During the Reporting Period, Easpring organized core members of the information technology team to participate in the network security training program for 10,000 people, so as to improve the management capabilities of Easpring's employees in data compliance management and network security protection from overseas enterprises. During the year, Easpring conducted 180 hours of internal information security and privacy protection training.



Cybersecurity Ten Thousand People Training Program



Cybersecurity Awareness Month

03

Climate Action

Climate change has become a global issue related to the survival and sustainable development of human civilization. At the critical node of the 30th anniversary of the conclusion of the United Nations Framework Convention on Climate Change and the full implementation of the Paris Agreement, the world is accelerating the construction of a climate action community. As a responsible major country, China actively responds to climate change, unswervingly fulfills its promised carbon peaking and carbon neutrality goals, and guides the construction of a fair, reasonable, cooperative and win-win global climate governance system.

Easpring has always taken the mission of "creating a first-class enterprise and continuously contributing to the era of ecological civilization", systematically promoted carbon management, achieved resonance and synergy between corporate actions, national strategies and global agendas, and became an important participant and contributor to global climate governance.

Responses to issues in this Chapter

Responding to climate change

This Chapter responds to SDGs





Key Performance in this Chapter

- Strive to achieve the peak of Easpring's own operational carbon emissions no later than 2030, and strive to achieve carbon neutrality before 2050.
- The total capacity of distributed photovoltaic power generation facilities in the factory 8.7 MW, and the annual power generation reaches 7,807.51 MWh.
- Implemented comprehensive energy conservation and consumption reduction measures, reducing carbon emissions by 4,462 tCO $_2$ e in total.
- Purchase of carbon credits to offset carbon emissions of 31,665.12 tCO₂e.
- Easpring Shudao (Panzhihua) obtained the ISO14068 carbon neutral certificate, became the first "carbon neutral factory" in Panzhihua
- Easpring Changzhou obtained ISO 14064 Organization Carbon Emission Certificate and ISO14067 Product Carbon Footprint Certification
- Easpring Jiangsu obtained ISO 14064 Organization Carbon Emission Certificate and ISO14067 Product Carbon Footprint Certification



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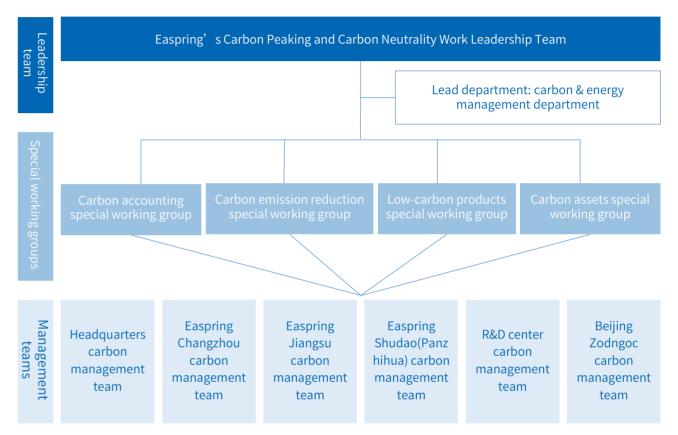
@ Climate Governance

In order to comprehensively promote Easpring's sustainable development vision and continuously and effectively identify and manage climate-related risks and opportunities, Easpring continuously deepens the construction of a sustainable development governance structure and incorporates climate change governance into Easpring's ESG management system.

Under the leadership of the board of directors, Easpring has established a management system led by the Carbon Peaking and Carbon Neutrality work leadership team, with the general manager serving as the team leader, responsible for formulating Easpring's Carbon Peaking and Carbon Neutrality development strategy, leading the Carbon Peaking and Carbon Neutrality work direction, and issuing Easpring's Carbon Peaking and Carbon Neutrality policy.

Under the Carbon Peaking and Carbon Neutrality work leadership team, special working groups on carbon accounting, carbon emission reduction, low-carbon products, and carbon assets have been set up, focusing on core tasks such as the construction of carbon emission monitoring systems, the implementation of emission reduction paths, product carbon footprint management, and carbon asset operations. The personnel of each special working group are composed of heads of relevant departments at the headquarters and subsidiaries. Each member has profound experience and professional skills in the Carbon Peaking and Carbon Neutrality field. He is fully responsible for the planning, promotion and implementation of dual-carbon management work and is committed to ensuring climate response-related key projects can be smoothly advanced with efficient and high-quality standards.

Easpring's carbon & energy management department is the leading department, responsible for coordinating and supporting the specific implementation of Easpring's Carbon Peaking and Carbon Neutrality work. Each subsidiary has established a carbon management team and set up a carbon management specialist to form a management system linked up and down. Under the guidance of each special working group, the carbon management team of each subsidiary is responsible for implementing the unit's carbon accounting, emission reduction target decomposition and low-carbon project implementation, while the carbon management specialist specifically carries out daily carbon emission data collection, monitoring and reporting, and other tasks to ensure that Carbon Peaking and Carbon Neutrality management requirements are effectively penetrated into all business units, achieving efficient collaboration and comprehensive coverage of Carbon Peaking and Carbon Neutrality management.



Carbon Peaking and Carbon Neutrality

Management Structure



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Example 2 Climate Strategy

Climate-related Risks and Opportunities

Facing the challenge of climate change, Easpring is well aware that accurate identification of climate risks and opportunities is the key to effective response. Easpring closely follows the development trend of the industry, combines its own business development layout and characteristics, and systematically sorts out and identifies various possible climate change risks and opportunities from multiple dimensions such as impact degree and occurrence probability through in-depth industry research and analysis, feedback from stakeholders and suggestions from internal and external experts. At the same time, when assessing climate-related risks and opportunities, Easpring takes significant uncertainties caused by extreme weather into consideration, so as to comprehensively and accurately grasp the risk situation.



Physical Risk

Risk and Opportunity Categories		Potential impact Time range Value chain			
				Potential Financial Impact Analysis	Countermeasures
Acute risk	Heavy rains, typhoons, floods, etc	Short, medium and long term	Operations Supply chain	 Extreme weather events are increasing in frequency and severity, which can lead to serious damage to production facilities or office equipment, resulting in the loss of high-value assets; Seriously threatening employees' commuting safety and workplace safety environment, increasing the risk of safety accidents, resulting in a significant increase in operating costs; Extreme weather may also prolong the supply cycle of raw materials, aggravate the delay of logistics and transportation, and in turn may trigger the disruption of the supply chain, causing a significant chain reaction impact on corporate operations. 	 Easpring formulated the "Emergency Management Regulations" for extreme weather and actively carried out emergency plans and drills, such as typhoon and flood prevention emergency drills, environmental emergency drills, power outage drills, etc., to enhance employees' risk awareness and response capabilities; In the project design stage, extreme weather factors such as heavy rain are taken into consideration in advance to ensure that the capacity of the rainwater drainage system is designed according to the once-in-10-year rainstorm return period; The auxiliary materials required for production follow the localized procurement strategy, establish a stable cooperative relationship with suppliers in the province, and strive to build a "1-hour logistics circle" During the flood season, a 24-hour duty system is implemented, inspections are conducted at key risk parts of the factory, and flood control materials and equipment are fully reserved and sufficient personnel are deployed.
Chronic risk	Average temperatur es continue to rise	Medium and long term	Operations	 Persistent high temperature weather may lead to limited power supply capacity, which in turn affects the normal operation of production equipment, forces the interruption of production plans and increases the cost burden of production operations; As the temperature continues to rise, employees working outdoors may experience fatigue, heatstroke or physical discomfort, which will not only reduce work efficiency, but also increase the cost of providing high temperature subsidies and improving the working environment, thus pushing up operating costs. 	 Store backup power resources so that they can be quickly activated in the event of sudden power outages or insufficient power supply, ensuring the continuity and normal operation of production and operation; Implement safety and health measures for high-temperature work, including providing cooling materials and heatstroke prevention medicines, and reasonably arranging employees' working hours and rest periods to avoid injuries caused by extreme high temperatures.



Transition risks

Risk and Opportunity Categories		Potential impact Time range Value chain		Potential impact			
				Potential Financial Impact Analysis	Countermeasures		
Policy and Law	Stringent requirements of climate-related policies and regulations	Short and medium term	Operations Marketing and sales	 Easpring's exports face green barriers to trade and are easily affected by European and American environmental policies and sustainable development rules, such as the EU's new circular economy action plan, the new EU regulation for batteries and so on, which are expected to affect Easpring's future product shipments and may lead to overseas revenue reduction; Strengthened disclosure requirements for carbon emissions in operating locations will require companies to invest more resources in monitoring and reporting carbon emissions, which will increase compliance costs for companies. 	 Continue to pay attention to changes in policies and regulations in operating areas and product sales markets, strengthen communication and collaboration with stakeholders such as the government and industry associations, and build and improve Easpring's carbon emission management response system; Establish a dual-carbon management organizational structure, carry out annual organizational carbon emissions and product carbon footprint accounting, ensure accurate and timely reporting of carbon emissions, and formulate and continuously improve carbon emission reduction work plans. 		
Technology	Low-carbon technology R&D and investment	Medium and long term	Product R&D Operations	 Under the background of a low-carbon society, the demand for clean and efficient technologies is gradually increasing. Accelerating the transformation of high-carbon emission processes and production equipment to low-carbon requires a lot of investment and time, which may lead to an increase in operating costs. 	 Actively promote in-depth assessment of the carbon footprint of core products throughout the life cycle, identify high-carbon emission links in the product life cycle, explore green emission reduction opportunities throughout the product cycle, explore and implement carbon reduction strategies, and increase investment in low-carbon technology research and development; Promote the gradual transition of the granularity of emission reduction management from the factory level to the workshop level, process level and equipment level, and achieve refined management of emission reduction by digital means; With lean production as the core concept, we will self-explore improvement opportunities to reduce costs and increase efficiency, so as to promote efficient production technology changes, simplify process procedures, and achieve clean and low-carbon production operations. 		
Market	Changing client needs	Short and medium term	Product R&D Marketing and sales	Most products with low-carbon attributes have green premiums. The procurement of low-carbon materials such as recycled materials and renewable energy has limited market supply, which will lead to an increase in procurement costs	 Develop a green evaluation system for the supply chain, screen qualified green suppliers based on environmental assessment indicators and sustainable development indicators, expand the scope of multi-channel green supplier screening, and ensure the stability and controllability of the green supply chain; Through measures such as purchasing green electricity and self-built photovoltaic power generation facilities, Easpring will continue to increase the proportion of its own clean energy usage; Actively carry out strategic cooperation with high-quality suppliers, focus on the recycling of key raw materials, cooperate to overcome technical problems, and continuously improve the recycling rate of raw materials. 		
Reputation	Climate change and sustainability performance	Medium and long term	Marketing and sales	Easpring's progress in green and low-carbon development has received continuous attention from various stakeholders. In the long run, if Easpring does not perform well in low-carbon performance, it may cause damage to Easpring's reputation and affect its market value.	 Easpring continues to strengthen the carbon reduction planning and layout of its own operations and supply chain, improves the carbon management system construction projects, and promotes the process of energy conservation and carbon reduction in light of changes in Easpring's own and external environment; Easpring is committed to enhancing the transparency of ESG information disclosure to promot Easpring's sustainable development governance to a new level. At the same time, Easpring actively responds to inquiries from various stakeholders, demonstrating Easpring's firm commitment to environmental, social and governance responsibilities. 		

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Risk and Opportunity		Potential impact					
	regories	Time range	Value chain	Potential Financial Impact Analysis	Countermeasures		
Products & Services	Low-carbon products and services	Short, medium and long term	Marketing and sales	With the advancement of low-carbon economic transformation, the social demand for green and low-carbon products and services may usher in growth. If Easpring can further develop and provide low-carbon products, services and solutions, it will be able to more effectively adapt to market demand, thereby Win additional growth opportunities.	 Easpring actively seizes the opportunity of climate change, accelerates the layout of new energy emerging markets, continuously strengthens its innovative R&D capabilities, and at the same time deepens its own carbon management and clean production capabilities to provide clients with products and services that are more in line with market demand and are more environmentally friendly. 		
Market	Incentive and support of national policies	Short, medium and long term	Operations	With the implementation of my country's "dual carbon" policy, emerging industries such as new energy have ushered in dual opportunities for policy and market development. Enterprises are encouraged to take energy conservation and emission reduction measures and actively participate in the application of provincial or national green factory demonstration projects, thereby Have the opportunity to receive state subsidies or related cost support.	 Easpring is committed to building a comprehensive green factory management system. Relying on the power of scientific and technological innovation, combined with refined management, Easpring actively promotes the implementation of a series of important measures such as intelligent energy management and control, efficient resource recycling, improvement of energy efficiency and wide application of clean energy. 		

Note: Easpring defines the time frame of climate change-related risks and opportunities as short-term (i.e. within 1 year after the end of the sustainable information reporting period) and long-term (i.e. more than 5 years after the end of the sustainable information reporting period) to assess the impact and changing trend of climate risks and opportunities within different time frames, so as to plan and implement corresponding response strategies and measures.

Climate-related Transition Plans

According to the four-step model of "systematic carbon management, scientific carbon accounting, precise carbon reduction and digital carbon control", Easpring has gradually built a comprehensive and efficient carbon management system by improving the carbon management system, accurately calculating carbon emissions by scientific means, formulating and implementing precise carbon reduction strategies, and effectively controlling carbon emissions with the help of digital tools, so as to lay a solid foundation for achieving Easpring's carbon emission reduction targets and promoting sustainable development.

Systematic carbon management

- Build a carbon management system covering Easpring's headquarters, subsidiaries, focusing on carbon emission data management, and build a carbon management system in line with Easpring's production and operation characteristics.
- In the process of building a carbon management system, combined with Easpring's development plan, support the construction of Easpring's carbonneutral factory and improve the applicability of the management system

Scientific carbon accounting

- Supported by the carbon management system, carry out carbon data verification through a top-down approach, set Easpring's scientific carbon targets, and gradually realize the standardization and standardization of carbon emission data management
- Take factories as pilot projects for carbon emission data management, and gradually promote the experience of factory carbon emission management

Precise carbon reduction

- Focusing on internal carbon reduction, we will gradually reduce the carbon emissions of our own operations at the factory level through technological transformation, energy efficiency improvement, and green electricity substitution, and explore carbon offsets to initially achieve carbon neutrality in our own operations
- Simultaneously carry out external supply chain emission reduction management and continuously reduce the carbon footprint of the supply chain

Digital carbon control

- Undertake Easpring's digitalization process, integrate big data analysis technology and realize digital and intelligent management and control of all carbon emissions
- Manage the carbon footprint digitally, form a virtuous circle of sustainable development in the upstream and downstream of the industrial chain, and lay the foundation for achieving carbon neutrality in the entire industrial chain

Climate Risk Management

In order to effectively manage climate risks, Easpring seizes the green and low-carbon transition opportunities brought about by climate change, comprehensively considers its own operational characteristics, actively collects multi-dimensional information such as feedback from stakeholders, internal and external environment and expert opinions, integrates climate risk management with company operations. The "Easpring Carbon Emission Reduction Work Plan" has been formulated, and Easpring's quantitative carbon emission reduction indicators in the near and medium and long term have been preliminarily determined. At the same time, Easpring has established and improved a carbon management response mechanism with efficient collaboration and close communication, and continuously optimized the climate risk control mechanism and management efficiency to enhance the resilience to climate risks.

Identifying Climate Risks

 Risk points are screened according to macro policies, industry policies, concerns of various stakeholders and regulatory requirements.



Analysis and Evaluation

 Based on the possibility and impact degree of climate-related risks, we identified climate-related physical and transformation risks that have a substantial impact on Easpring's business development.

Risk Response

 In view of the assessed climate-related risks, Easpring formulated climate risk response plans based on factors such as risks and benefits, brand reputation and social responsibility to ensure the stable development of Easpring.



Supervision and Improvement

 Easpring continuously tracks, monitors and manages the progress of handling climaterelated risks, and at the same time continuously optimizes the risk control mechanism and management efficiency in daily operations to enhance the

Key Actions for Carbon Emission Reduction

Easpring implements carbon footprint tracking and accounting throughout the life cycle of key products, and makes every effort to move towards the goal of carbon neutrality by carrying out carbon emission verification, optimizing the energy structure, carrying out energy-saving technological transformation projects, and building a "carbon neutral factory".

Carbon Emission Verification Management

During the reporting period, Easpring continues to optimize the working mechanism of carbon management, compiles and improves the carbon emission accounting guidance manual at the organizational level and product level, laying a solid foundation for accurate and efficient one-stop carbon emission accounting of data monitoring-collection-accounting-reporting.

During the reporting period, based on the standardized carbon inventory workflow and professional carbon footprint model database, Easpring completed the greenhouse gas emission inventory of Easpring Changzhou and Easpring Jiangsu at the organizational level, and carried out product-level carbon footprint verification for typical products of ternary category, and invited a third-party professional organization to verify the data, and obtained ISO 14064 organizational carbon emission certificate and ISO 14067 product carbon footprint certificate.

Carbon emission verification at the organization level



ISO 14064-1: 2018 Organization Carbon Emission Certificate

Product-level carbon footprint verification





ISO 14067: 2018 Product Carbon Footprint Certificate

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Optimizing Energy Structure

Optimizing the energy structure is one of the important ways to achieve green and low-carbon development. Easpring has increased its investment in clean technology and regards renewable energy substitution as the core path of energy structure optimization. Through the "distributed photovoltaic + energy storage" collaborative model Build an integrated source, grid, load and storage system to systematically promote the transformation of clean energy. During the reporting period, Easpring had factory distributed photovoltaic power generation facilities with a total capacity of 8.7 MW, and the annual power generation reached 7,807.51 MWh, equivalent to achieving an emission reduction of 4,602.92 tCO₂e.

Total photovoltaic generation (MWh)



Equivalent to a reduction of 4,602.92 tCO₂e

Energy Saving and Consumption Reduction Management

Easpring adjusted its annual energy conservation and consumption reduction plan, carried out in-depth comprehensive actions to conserve oil, electricity, water and other resources, implemented targeted energy conservation and emission reduction work, reduced resource consumption in an all-round way, and improved resource utilization efficiency. During the reporting period, Easpring achieved a cumulative carbon reduction of 4,462 tCO2e through projects such as intelligent lighting energy-saving in the factory area, replacing shuttle buses with electric shuttle buses, spray drying waste heat recovery and utilization, air compressor energy efficiency linkage energy-saving renovation projects, and circulating water pump motor permanent magnet energy-saving renovation projects.

Green Supply Chain Emission Reduction

Easpring continues to improve the green procurement system, adopts the proximity procurement strategy, actively purchases low-carbon and environmentally friendly products, deepens cooperation with core raw material suppliers in the field of carbon management, and works with suppliers to build a green supply chain.

During the reporting period, Easpring carried out close collaboration in renewable energy power, carbon data integration, accurate accounting of carbon emissions, research and development and application of advanced technologies for carbon emission reduction, and coordinated response to external policies, so as to promote the sharing and efficient application of key carbon management indicators in the supply chain. Easpring continues to explore and establish and improve the green evaluation mechanism of Easpring's supply chain, gradually incorporates supplier carbon performance indicators into the scope of daily procurement management, strengthens the low-carbon sustainable development capabilities of the supply chain, and promotes the green transformation of the entire industry chain.

Procurement of low-carbon and environmentally friendly products

- Procurement of energy-saving lamps, new energy forklifts and other environmentally friendly products
- Promote the procurement of recycled materials, packaging cartons produced by the recycling of waste paper

Establishment of a green evaluation mechanism for suppliers

- Incorporate key carbon management indicators such as renewable energy use into the supplier evaluation system
- Provide carbon reduction communication and training, and promote communication and collaboration with upstream and downstream partners on carbon management.

Implementation of localized procurement

• For production auxiliary materials such as workshop auxiliary liquid oxygen, special gas for testing room and low value consumables required by the plant, priority is given to adopting the strategy of nearby procurement to reduce transportation carbon emissions

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Green procurement initiatives

Building a "Carbon Neutral Factory"

Building a "carbon-neutral factory" as the core strategy to achieve the dual carbon goal, Easpring made full use of the abundant clean energy in Panzhihua, Sichuan, and laid out and built the Easpring Shudao factory, which significantly reduced electricity-related carbon emissions. Easpring Shudao Factory implements the low-carbon concept from construction to operation, applies high-energy-efficiency equipment and low-emission refrigerants in the construction stage, and uses technologies such as waste heat recovery and utilization in the operation stage to further reduce energy consumption. At the same time, the factory makes every effort to promote the realization of the goal of carbon neutrality through the application of carbon reduction technology and the purchase of carbon offset credits.



ISO 14068 Carbon **Neutrality Certificate**



VCS Carbon Credit Certificate



During the reporting period, Easpring Shudao (Panzhihua) offsets greenhouse gas emissions of 31,665.12 tCO2e by purchasing carbon credits, passed the strict verification of an internationally recognized third-party verification agency, and obtained the agency's first ISO14068-1 carbon neutrality declaration verification certificate in the lithium battery cathode material industry, becoming the first "carbon neutral factory" in Panzhihua.

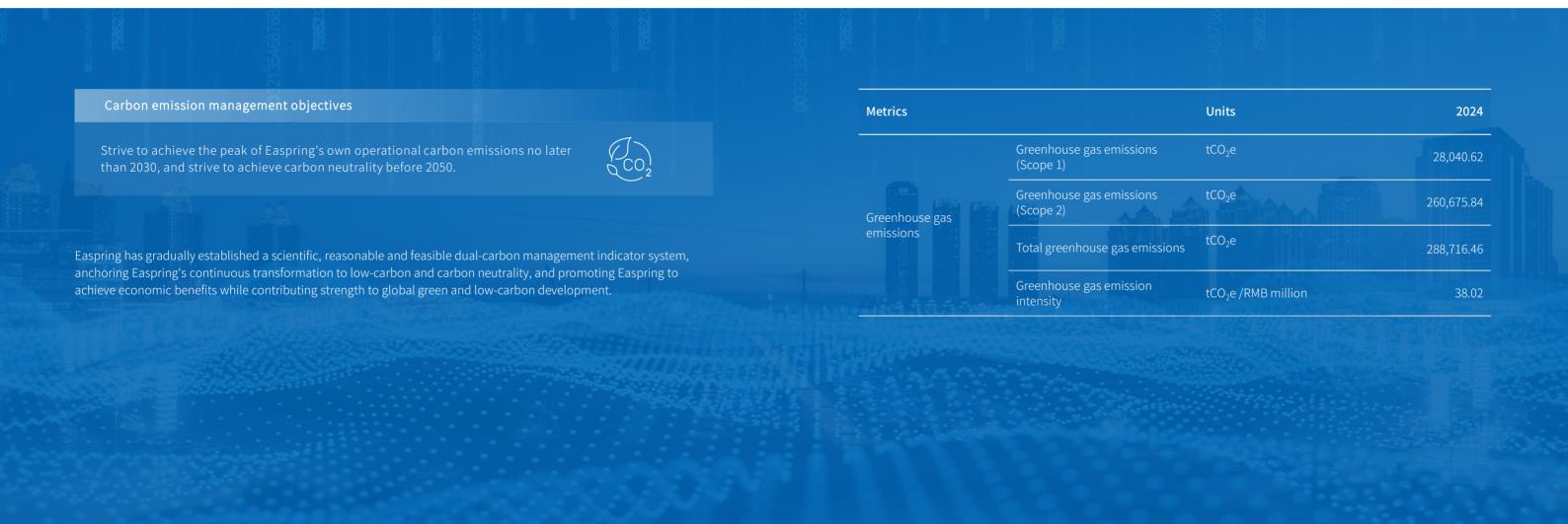
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Metrics and Targets

During the reporting period, Easpring referred to the principle of Science-based Target Initiative (SBTi) and focused on the implementation of emission reduction paths, simulated different emission reduction scenarios to design different emission reduction paths, set Easpring's overall carbon management goals, and transformed Easpring's overall carbon emission reduction sub-goals of each subsidiary branch.



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Quality, Innovation and Development

Innovation is the core driving force for enterprise development, and high-quality products are the fundamental embodiment of enterprise competitiveness. Easpring has always adhered to the development concept of "technology-led and innovation-driven". Through efficient and systematic operation management and cutting-edge intelligent manufacturing technology, Easpring continuously improves product R&D and production efficiency, ensures excellent and stable product quality, and provides clients with continuous value-added solutions.

Responses to issues in this chapter

- Innovation-driven
- Product quality and safety
- Intellectual property management
- Digital construction
- Chemicals management
- Ethics of science and technology

The Chapter responds to SDGs







Key Performance in this Chapter

- 430 scientifc R&D personnel, accounting for 23.92% of the employees

- 1 laboratory certified by CNAS



Innovation-driven

Science and technology innovation is the core competitiveness. In the process of rapid internationalization development, Easpring solutions" through continuous technological innovation and management innovation, providing a strong impetus for Easpring's high-quality, coordinated and green development. At the same time, Easpring attaches great importance to the protection of intellectual property rights, establishes a sound intellectual property management system, providing solid policies guarantee for innovation achievements, and ensures the sustainability of innovation-driven business development.

Innovation and Development

Easpring strictly abides by the requirements of national and local policies and regulations such as the Law of the People's Republic of China on Science and Technology Progress, continues to increase investment in R&D, accelerates technology iteration and talent training, integrates green processes and low-carbon technologies into the whole life cycle of products. In addition, Easpring cooperates with universities and scientific research institutions to build industry-university-research platforms, injecting strong impetus into industrial transformation and upgrading and national self-reliance in science and technology.

Easpring follows the principles of scientific and technological ethics, and bears in mind of enhancing human well-being, respecting to fairness and justice. Easpring reasonably controls risks, and maintains openness and transparency, and abides by the national constitution, laws, regulations and relevant provisions. Easpring's business does not involve scientific research and technology development in sensitive ethical fields such as artificial intelligence and life sciences.

Product Development Strategy

As the world's leading company in lithium battery cathode materials, Easpring strives to create a "source" of original technology. Focusing on the R&D strategy of "new material products, new technology systems, and new battery routes", Easpring has formulated a product development technology (2023-2028) plan and clarified product R&D and development key indicators and roadmaps. At the same time, Easpring has established a clustered R&D innovation platform integrating lithium-ion battery material technology research, product development, engineering design, testing and evaluation, and technical services, and continues to lead the technological progress of the industry. During the reporting period, Easpring's total R&D investment was RMB 370 million, accounting for 4.88% of revenue.

After years of continuous high-intensity R&D investment and technology accumulation, Easpring has won 38 national, provincial and ministerial honors such as "National Recognized Enterprise Technology Center", "National Technology Innovation Demonstration Enterprise" and "National Intellectual Property Demonstration Enterprise". Easpring has obtained 52 product and technology awards including China Patent Excellence Award, Beijing Invention Patent Award, Beijing Science and Technology Award, and China Nonferrous Metals Industry Science and Technology Award. Among them, two enterprises, Easpring Changzhou and Beijing Zodngoc, were recognized as "specialized and sophisticated" enterprises.

During the reporting period, subsidiaries such as Easpring Changzhou, Easpring Jiangsu and Beijing Zodngoc were awarded national, provincial and ministerial honors and qualifications such as "Specialized and Sophisticated Small and Medium-sized Enterprises (SMEs) in Beijing", "Beijing High-tech Enterprise", "Jiangsu Province Recognized Enterprise Technology Center", "Jiangsu Engineering Research Center" and "Jiangsu Gazelle Enterprise".



Product R&D Management

Easpring continues to improve the R&D management system. Easpring has been improving a technological innovation system covering all business areas, all processes, and vertically integrated, has established the New Energy Materials Research Institute, the Research Institute of Lithium-ion Battery Material, and the Engineering & Technology Research Institute of Lithium-ion Battery Material. In addition, Easpring has formulated the "Project Management Regulations" "Product Design Process Control Procedures" and other institutional documents to clarify the main matters and processes of R&D management. So far, Easpring has formed six product series: multi-component materials, lithium iron phosphate (manganese), lithium cobalt oxide, lithium-rich manganese-based, key materials for solid-state lithium batteries, and cathode materials for sodium-ion batteries.

New Energy Materials Research Institute



Research Institute of Lithium-ion **Battery Materia**

Responsible for carrying out product research and development, applied research, and organizing and implementing the transformation of scientific and technological achievements.

Engineering & Technology Research Institute of Lithium-ion **Battery Material**

Responsible for lithium battery material production process research, equipment technology development, carbon management and intelligent manufacturing development.

Organizational structure and functions of the Institute

Easpring actively promotes the construction of technology platforms, continues to build and improve R&D infrastructure, matches advanced digital systems, and provides a solid hardware foundation for efficient R&D work. As of the end of the reporting period, Easpring has equipped more than 2,000 sets of cutting-edge scientific research equipment, providing strong support for the exploration of advanced technologies and ensuring that the R&D team can carry out its work more efficiently and achieve innovative breakthroughs.

At the same time, Easpring continues to promote the construction of digital systems such as Laboratory Information Management System Platform (LIMS) and Product Lifecycle Management System (PLM). In this way, Easpring has successfully optimized laboratory resource allocation and experimental processes, strengthened laboratory quality management and risk control capabilities, and promoted collaboration and knowledge sharing within the R&D team, comprehensively improving project R&D efficiency.





Easpring continues to lead the technological progress of the global high-performance battery key materials industry, and successfully develops a number of key technologies such as multi-element spherical precursor co-precipitation technology, uniform lithiation and crystallization technology of cathode materials, multi-element synergistic doping modification technology, and multi-level collaborative modification technology of micro-powder particle surface, so as to strengthen Easpring's industry position and leading advantage in the field of lithium battery cathode materials.

☐ "Molten Lithiation-Single Crystallization" Model

Easpring took the lead in proposing the "molten lithiation-single crystallization" model to promote the development of new technologies for multi-element gradient doping, surface modification and capacity improvement. Easpring used the method of in situ construction of fast-ion conductor layer, effectively solve the problem between solid-solid interface the electrolyte.



Nanoscale Solid-State Electrolyte Development

Through special component design to regulate lithium-ion channels, multi-element targeted modification to stabilize the crystal structure, Easpring has designed a unique full-process nano-integrated process, and successfully developed a nano-scale solid electrolyte with high ionic conductivity and high stability.

During the reporting period, Easpring's blended high-pressure compacted NCM811 layered single-crystal nickel-cobaltmanganese products, single-crystal high-voltage NCM56SC medium-nickel multi-component cathode materials and single-crystal high-capacity and low-cost ternary cathode materials won the Changzhou City Innovation product.







Changzhou Innovative Product Certificate

Green Design Products

Easpring complies with the "General Principles for Green Product Evaluation" and other relevant national and industry regulations and standards, and is committed to creating products with low resource and energy consumption, low pollutant emissions, low toxicity and less harm, easy recycling and reuse, healthy, safe and high quality. Easpring continuously optimizes product design and production processes to provide society with more environmentally friendly and efficient lithium battery cathode materials.

Lithium-rich manganese-based materials with low cobalt content

Cobalt is a scarce and environmentally sensitive resource that is widely used in lithium battery cathode materials. However, the high content of cobalt not only increases material costs, but also poses potential harm to the environment. Easpring has developed innovative technologies that reduce cobalt content while maintaining the performance of cathode materials. By optimizing the precursor structure design, combining lattice doping, surfaceinterface synergistic modification and extreme sintering process, Easpring has successfully solved the low energy density of low-cobalt cathode materials. and industry problems of poor cycle performance, simultaneously reducing the potential impact of cobalt on the environment and reducing dependence on scarce metal resources.



Large capacity, high-efficiency production process

Under the guidance of the green design concept, Easpring has achieved an increase in unit production line by more than 30% by optimizing product processes, increasing the size of bottleneck process equipment units, and introducing thickeners and other equipment into capacity bottleneck processes. At the same time, by optimizing the washing process, Easpring improved product crystallinity, reduced impurity content, significantly improved product quality and production efficiency, achieved a reduction in product washing water consumption by about 20%, and effectively reduced the use of water resources.

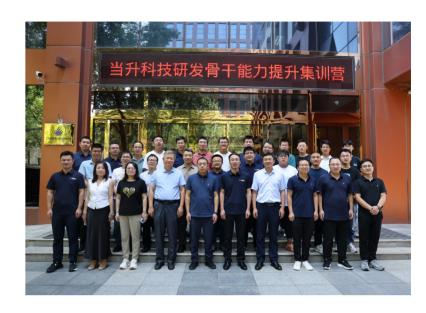
In the future, Easpring will continue to deepen product design and process innovation, explore more environmentally friendly and efficient production methods, and contribute to the sustainable development of the lithium battery cathode material industry.

R&D Team

Easpring strives to build Easpring's strategic talent force, improve the whole chain training mechanism of scientific and technological talents, and provide lasting impetus for Easpring's continuous innovation and development. Easpring now has a R&D team led by high-level talents such as national "hundreds and millions" talents, and has developed a R&D team with strong innovation capabilities, rich engineering experience, and business acumen. As of the end of the reporting period, Easpring had a total of 430 scientific research and technical personnel, including 29 doctors and 158 masters. Scientific research and technical personnel accounted for 23.92% of Easpring's employees.

Easpring takes multiple measures to promote talent training, regularly provides capability improvement training opportunities for the R&D team through "expert lecture hall + organizational experience extraction + co-creation workshop", broadens the professional knowledge horizon of the R&D team and improves business capabilities, and continuously stimulates the endogenous motivation of employees to grow.

During the reporting period, Easpring organized the "R&D Backbone Capability Improvement Training Camp", specially invited authoritative experts in the field of materials science of the Chinese Academy of Sciences to carry out special training. This training continuously improved the team's comprehensive technical research and innovative practice capabilities through systematic learning and interactive communication.



Appendix

R&D Backbone Capability Improvement Training Camp

Easpring continues to optimize the incentive mechanism to stimulate the innovation vitality of R&D personnel, implement the assessment and incentive mechanism for new product development. Easpring also explores various short-term and long-term incentive forms such as incentives for scientific and technological achievements and technology dividends, and use diversified incentive measures to stimulate employees to boldly innovate and deeply study key technologies. At the same time, Easpring has set up awards such as "Science and Technology Progress Award", "Technology Innovation Award" and "Engineering Design Award" in the annual evaluation to commend teams and individuals with outstanding performance in R&D innovation, play their demonstration and leading role, and promote Easpring's overall scientific and technological innovation level. During the reporting period, 10 projects of Easpring were awarded the Science and Technology Innovation Award, and 14 people were awarded the "Patent Star" award.

Scientific Research Cooperation

Relying on its strong innovation capabilities and technological leadership in the battery materials industry, Easpring actively participates in the preparation of industry standards, promotes school-enterprise cooperation, participates in government project applications, and accelerates the application of scientific and technological achievements through the deep integration of industry, academia and research.



Standard Preparation

Governance

Easpring takes promoting the development of industry standardization as its own responsibility, actively participates in the preparation of international and industry standards, and continues to transform innovative achievements into standards. As of the end of the reporting period, Easpring has taken the lead or participated in the formulation of 59 standards for related products, test methods, green products, etc., and is taking the lead in drafting key product standards such as the national standard "Lithium Iron Manganese Phosphate" (Plan No. 20240002-T-610). It is also constantly improving relevant standards such as sodium-ion battery cathode materials and solid electrolytes, and continues to promote the technological development of the industry.

Number	Standard Name	Туре	Standard Number/Plan Number
1	Measurement of Compaction Density of Lithium Ion Battery Cathode Material Powder	National Standard	GB/T44330-2024
2	Lithium - Rich Lithium Iron Manganese	National Standard	20230125-T-610
3	Determination of Moisture Content of Lithium-ion Battery Cathode Materials by Karl Fischer Coulomb Method	National Standard	20230123-T-610
4	Lithium Manganate	Industry Standard	2023-0257T-YS
5	Lithium Nickel Cobalt Manganate	Industry Standard	YS/T798-2012
6	Battery Grade Sodium Carbonate	Group Standard	2023-032-T/CNIA

During the reporting period, Easpring took the lead and participated in the compilation of 3 national standards, 2 industry standards and 1 team standard. At the same time, the industry standard "Lithium Nickel Cobalt Manganate" led by Easpring was awarded the second prize of the "Technical Standards Excellence Award" by the National Nonferrous Metals Standardization Technical Committee, and the national standard "Lithium-Rich Lithium Ferrite" that it participated in drafting was awarded the "Technical Standards Excellence Award" Third prize. Chen, Yanbin, the Chairman of Easpring, was appointed as Deputy Chairman of the Powder Metallurgy Sub-Standards Committee.





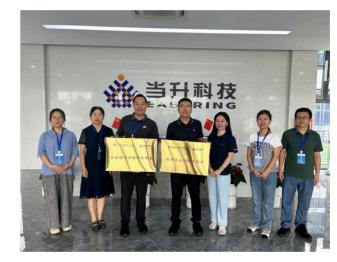
Excellent Award for Technical Standards of Lithium-rich Lithium Ferrite/Lithium Nickel Cobalt Manganate

In the future, Easpring will rely on its own technological advantages to continue to participate in the formulation and revision of relevant standards and contribute to the high-quality development of the industry.

School-enterprise Cooperation

Easpring attaches great importance to industry-university-research cooperation, and has established in-depth cooperative relationships with well-known universities and scientific research institutions at home and abroad, such as Peking University, Tsinghua University, and University of Limpopo in South Africa. Through these cooperation with universities, Easpring carry out scientific and technological research jointly with universities to overcome technical problems and promote the transformation and implementation of scientific research results.

Easpring explores diversified cooperation models with universities, builds a series of innovation platforms through indepth collaboration, and establishes a joint laboratory for high-energy lithium battery materials, a studio for enterprise visiting engineers and a mobile station for teachers and enterprise practice, etc., so as to educate people through multiparty collaboration and co-construction and sharing of resources. During the reporting period, Easpring established a long-term school-enterprise cooperative relationship with Xuzhou Vocational College of Industrial Technology integrating production and education, and jointly built a "Teacher Enterprise Practice Mobile Station" and a "Enterprise Visiting Engineer Workstation" to cultivate high-quality skilled talents for the industry and promote technological innovation and industrial upgrading.



Easpring jiangsu and Xuzhou Vocational College of Industrial Technology jointly Build a School-enterprise Cooperation Relationship



Teachers and Students of Nanjing University of Aeronautics and Astronautics Visited Easpring Changzhou

Scientific Research Project Declaration

Relying on Easpring's solid scientific research foundation and innovation strength, it has applied for and undertaken scientific research projects such as the development of key materials for solid-state lithium-ion batteries and the development of ultra-high nickel cathode materials by relevant national and local government departments, achieving high-level scientific and technological self-reliance for my country's new energy industry. Self-improvement has contributed an important force.

During the reporting period, Easpring applied for and participated in more than 40 government scientific research projects, continuously consolidating and enhancing Easpring's core competitiveness in the industry.

Appendix

Intellectual Property Management

Easpring complies with national laws and regulations such as the Patent Law of the People's Republic of China, as well as international treaties such as the Patent Cooperation Treaty (PCT), and takes intellectual property rights as an important starting point for developing new productivity and promoting innovation-driven development and high-quality development.

Climate Action



Company's Patent Certificate (Partial)

Easpring adopts the management mode of "group management and control, modular operation and professional development". The intellectual property department of the headquarters is responsible for overall management of the intellectual property work of each subsidiary company and research institute, and each subsidiary company and research institute implements a unified standardized patent mining, patent application and review system to realize dynamic compliance management of patent layout, trademark registration and trade secret protection.

Easpring has formulated internal systems such as the "Intellectual Property" Management Regulations" to continuously standardize the intellectual property management process, take multiple measures to strictly control the risk of intellectual property infringement, improve the patent incentive mechanism, and effectively safeguard its own competitive advantages. In addition, Easpring has formulated and implemented relevant management systems such as the Administrative Measures for the Protection of Trade Secrets, clearly listing product development, product formulas, raw materials, production processes, production methods and other information as the scope of Easpring's trade secrets, and conducting hierarchical management and protection to comprehensively standardize and strengthen Easpring's intellectual property protection. During the reporting period, Easpring conducted a series of intellectual property trainings, covering 260 person-times.

Easpring comprehensively protects Easpring's innovative achievements from multiple dimensions such as patents, trademarks and trade secrets, and continuously improves its intellectual property creation, protection, application and management capabilities.

Strengthening patent layout

Easpring integrates patent layout throughout the entire R&D process, conducts hierarchical management of patent applications based on innovation, economic benefits and other dimensions, and submits domestic and foreign patent applications in a timely manner to continuously improve patent layout management.

Establishing a patent database

Through patent search and analysis, Easpring establishes a patent database covering Easpring's main business, provides timely information on technological development trends and market trend for Easpring's decision-making and project development, and avoids the risk of infringement of other people's intellectual property rights caused by information mismatch.

Intellectual property cooperation

Easpring carries out technical cooperation with partners through patent licensing, pricing investment and other methods to promote the transformation of scientific and technological achievements and expand the value of intellectual property rights.

Optimizing trademark registration

Easpring continues to increase the categories of trademark registration, expand the scope of trademark protection, and further ensure the all-round layout and standardized use of Easpring's trademarks.

Legal risk prevention and control

Easpring's intellectual property department, R&D center, legal affairs and other departments collaborate to study and judge product technical details and legal provisions, and safeguard legal rights according to law.

Main Measures for Intellectual Property Protection

Easpring continues to build a global intellectual property protection network by obtaining patent authorizations in key markets. With forward-looking planning and layout, Easpring has authorized core patents in the five major markets of China, the United States, Japan, Europe and South Korea, with a total of 60 PCT patent applications and a total of 38 authorized overseas patents. During the reporting period, Easpring has obtained 30 newly authorized overseas patents.



A lithium-rich manganese-based material and its preparation method and application (European Patent Bulletin No. EP4047688B1) have obtained patent authorization from Europe, China, the United States, Japan and South Korea at the same time

Easpring was approved the European patent "A lithium-rich manganese-based material and its preparation method and application" (European patent announcement number: EP4047688B1), disclosing a lithium-rich manganesebased material with excellent cycle performance, high discharge specific capacity and good rate performance. Lithium-rich manganese-based materials have simultaneously obtained patent authorization from China, the United States, Japan, and South Korea.



European Patent Certificate

As of the end of the reporting period, Easpring's patent applications have been effectively covered with six product series and intelligent equipment: lithium nickel cobalt manganese (aluminate), lithium iron phosphate, lithium iron manganese phosphate, key materials for solid-state lithium batteries, lithium cobalt oxide, and cathode materials for sodium-ion batteries. A total of 834 domestic and foreign patent applications have been submitted, 352 domestic and foreign authorized patents have been obtained, and 45 software copyrights have been authorized. During the reporting period, Easpring applied for 193 new domestic and foreign patents and added 72 new domestic and foreign authorized patents.

Governance

Easpring actively embraces digital transformation, introduces digital technology, comprehensively promotes the construction of intelligent manufacturing systems, realizes digital management of the whole process from R&D to production, and improves resource utilization efficiency and flexible production capacity. At the same time, Easpring deeply practices the concept of lean management, focuses on refined management and control and continuous optimization, and greatly improves production efficiency and product quality through the construction of smart factories to ensure that every link meets excellent standards.

Digital Factory Strategy

Easpring systematically promotes digital construction and formulates top-level digital transformation planning such as "Digital Transformation Strategic Plan", focusing on the four major features of smart factories: comprehensive perception, collaborative sharing, analysis and optimization, prediction and early warning. By deeply integrating the new generation of IT technology with advanced manufacturing technology, Easpring realizes digitalization throughout all aspects of production, management, service, etc., and creates a smart factory with intelligence, information, automation, and digitalization.

In accordance with the design concept of "business-oriented, data-centric, integrated and integrated", Easpring builds an interconnected digital platform to realize data integration and sharing, and provides accurate decision-making support for intelligent manufacturing with the help of real-time production data analysis, helping scientific decision-making. At the same time, Easpring relies on advanced technologies such as cloud computing, big data and AI to further promote the construction of smart factories, improve the level of production intelligence, and realize the refinement and efficiency of production management.

Digital Transformation Implementation Path:

Easpring implements digital transformation through the following three phases to realize the construction of smart factories:

Implementation Phase	Main Tasks	Implementation Progress
Phase I	 Continuously optimizing various infrastructures. Upgrading production line equipment and industrial control system. Promoting information security management system certification. 	Completed
Phase II	 Optimizing PLM, MES, SRM, CRM, SAP and other systems continuously, and enriching business scenarios such as "integration of research, production, supply and marketing" and "integration of business and finance". Polishing and promoting the mature production management system. Carrying out data base and data governance construction. 	In progress
Phase III	 Comprehensive digital empowerment of enterprise management and strategic decision-making. Establish a risk management system based on big data platform and AI. Build digital twin that meet national smart factory standards and realize digital lighthouse factories. 	To be implemented

During the reporting period, based on the SAP system, Easpring integrated multiple digital systems such as MES/WMS/DCS to break the isolated information between finance, manufacture, supply chain, and other departments, which realized the real-time sharing of various data and seamless connection of business processes. Through integrating various systems, Easpring improved management efficiency based on the timely and accurate data analysis.

Construction of Smart Factory

Easpring deeply integrated cutting-edge technologies such as machine vision inspection, digital twin simulation, 5G +, and cloud computing with advanced manufacturing. In addition, Easpring continues to construct and integrate DCS, BATCH, MES, PLM, WMS, WCS and other digital systems to achieve agile production collaboration and refined production management.



Submersible Lift AGV Trolley

Easpring has introduced intelligent equipment such as submersible lift automatic guided vehicles (AGV) and promoted the integration of the WMS, the sagger automatic detection and cleaning conveyor line, and the automatic stacking conveyor line. Though this way, Easpring has realized automatic detection and cleaning conveyor of sagger, in-factory logistics operation, and automatic packaging, which improves the energy efficiency of production area management and material transportation efficiency.

At the same time, Easpring developed automatic picking and delivery robots and safety inspection robots based on 5G private network. It helps realize functions such as personnel identification, standardized material stacking, environmental monitoring, and equipment and instrument data collection, which improves the efficiency of sample delivery and workshop safety and environmental inspection, significantly improve Easpring's production efficiency. Utilizing such equipment, Easpring build a benchmark manufacturing base that is safe, environmentally friendly, green, efficient and intelligent.





Sample Delivery Robot and Inspection Robot Based on 5G Private Network

During the reporting period, Easpring Jiangsu was awarded the "Jiangsu Province Intelligent Manufacturing Demonstration Workshop", and Easpring Changzhou was Integration of Informatization and Informatization Management System Assessment Certificate AAA.

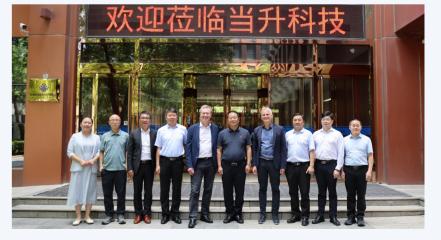


Easpring Changzhou Integration of Informatization and Informatization
Management System Assessment Certificate AAA Certification

Industry Partner Cooperation

In the journey of digital transformation, Easpring has carried out in-depth cooperation with industry leading companies to further improve the level of digital R&D and manufacturing. During the reporting period, Easpring SDIG Panzhihua and Siemens signed a memorandum of cooperation on the construction of a "lighthouse factory". Relying on Siemens' advanced technology and rich experience in the digital field, Easpring SDIG Panzhihua systematically built a closed-loop management system for R&D and manufacturing processes, promoting enterprises to lead the industry forward.





Signing Ceremony of Memorandum of Cooperation on the Construction of "Lighthouse Factory"

Product Quality and Safety

Easpring always regards product quality and safety as the cornerstone of enterprise development. With the central strategy of "comprehensively building and implementing ISO9001 & IATF16949 quality management", Easpring continuously improves product performance and reliability through R&D, standard management, lean operation and intelligent manufacturing. In addition, Easpring continuously optimizes the quality management system, builds a quality culture for all employees, and provides clients with the most trustworthy high-quality products.

Quality Management System

Easpring strictly abides by the Product Quality Law of the People's Republic of China and relevant laws and regulations, and constantly improves the quality management system. The product management system covers all aspects such as raw material procurement, production control, process change, product testing, warehousing and logistics, and aftersales service, by which Easpring can control product quality in all-round.

Quality System Certification

Guided by the international standards ISO9001 and IATF16949, Easpring continues to establish and improve Easpring's quality management system in combination with Easpring's development strategy and operation and management. The system covers all aspects such as raw material procurement, design and development, production control, product testing, warehousing and logistics, and after-sales service, helping Easpring realize the full life cycle management of product quality.

In order to ensure the effectiveness of the quality management system, Easpring regularly organizes internal audits in all aspects of the product life cycle every year. At the same time, Easpring actively invites external third-party certification bodies to carry out quality management-related audit and certification every year. As of the end of the reporting period, Easpring's all cathode material production bases have passed ISO 9001 quality management system certification. The Easpring Changzhou and Easpring Jiangsu have obtained IATF16949 automotive quality management system certification. Easpring SDIG Panzhihua plans to pass IATF16949 automotive quality management system certification in 2025.







IATF16949 Automotive Quality Management System Certification







ISO 9001 Quality System Certification

Process Quality Control

Process quality control plays a key role in the quality management system. Easpring adopts the cycle management method of PLAN, DO, CHECK and ACT (PDCA) to ensure the effective implementation and continuous optimization of quality management measures. Easpring has formulated procedural documents such as *Supplier Management Control Procedure*, which specify the quality control processes and standards of key links such as raw material procurement, warehousing inspection, incoming quality control, product quality specification, non-conforming product management, shipment inspection and packaging requirements. Easpring ensures each process is strictly controlled and provide clients with safe, reliable and high-quality products. During the reporting period, Easpring did not have any recall incidents due to health and safety issues in the total number of shipped or shipped products, nor did it have any product recall incidents.

Easpring has established a quality performance appraisal mechanism, covering relevant departments such as R&D, process, production, supply chain and operation, formulated scientific and systematic quality management objectives and set relevant performance weights. Easpring tracks and evaluates the achievement of quality objectives of each production base every month, identifies potential problems in time and takes targeted measures to ensure the continuous achievement of quality objectives. During the reporting period, Easpring fully achieved various quality management objectives, and no major product safety and quality accidents related to products and services occurred.







The main responsible quality accident is 0



client complaint handling rate 100%



The qualified rate of the finished product submitted for inspection at one time ≥ 99.5%

Product quality management objectives

At the same time, Easpring attaches great importance to the construction of product testing capabilities, establishes high-standard laboratories equipped with first-class professional testing and analysis equipment, and complies with ISO/IEC17025: 2017 "General Requirements for Testing and Calibration Laboratory Capabilities" (CNAS-CLO1 "Testing and Calibration Laboratory Capabilities Accreditation Guidelines").

During the reporting period, Easpring Jiangsu laboratory passed CNAS (China National Accreditation Service for Conformity Assessment) certification, which provided stronger support for Easpring's product quality control.



CNAS Certification Certificate

Quality Culture Construction and Capacity Improvement

Easpring attaches great importance to quality management training, and has established and continuously improved a comprehensive quality training system covering Easpring level, factory level and department level. Through a combination of online and offline methods, Easpring carries out quality training for all employees to continuously improve employees' awareness and attention to product quality and safety; It also continuously carried out quality improvement activities for all employees, optimized core business processes, and continuously improved the quality management capabilities of personnel.

During the reporting period, Easpring carried out a series of quality culture-related lectures and trainings, with approximately 1,500 trainees.



Practical training on six core tools of quality management

In 2024, Easpring will hold practical training on the six core tools of quality management. Through case explanations, practical drills, group discussions, and internal project reviews, Easpring will conduct comprehensive training on the application of tools such as advanced product quality planning (APQP), failure mode and impact analysis (FMEA), and measurement system analysis (MSA), statistical process control (SPC), control plan (CP), and production parts approval procedure (PPAP). A total of more than 40 people from Easpring's quality management participated in the training.





Practical Training on Six Core Tools of Quality Management

Management of Hazardous Substances

Easpring strictly complies with the requirements of the EU Battery Law, RoHS Directive, REACH regulations, halogenfree standards and automobile banned substance requirements (GB/T30512-2014). Easpring formulates and implements the Regulations on the Management of Hazardous Substances, and comprehensively standardizes the hazardous substances control process of products from raw materials to finished products. In this way, Easpring ensures that the products do not contain harmful substances such as lead, mercury, hexavalent chromium. polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs), and strictly control the environmental protection and safety of the products.

In order to ensure the effectiveness of hazardous substance management, Easpring entrusts external professional third parties to conduct hazardous substance testing on finished products every year. In addition, Easpring posts relevant labels on shipped products to convey the environmental protection attributes of products to clients in a responsible manner. At the same time, Easpring puts forward strict requirements for suppliers and needs to provide test reports that meet relevant standards to effectively prevent harmful substances from flowing into the production process.

During the reporting period, all products of Easpring passed the RoHS directive, REACH regulations and halogen-free tests of third-party professional organizations and obtained qualified reports.







REACH Regulation / RoHS Directive and Halogen-Free Third-Party Test Qualification Report

05

Environmental Protection

Environmental protection is an important pillar to achieve sustainable development. Easpring is committed to a green development model and increase investment in green technology, promoting reduction of pollutant emissions, and the consumption of water resources and energy. Moreover, Easpring promotes resource recycling and protects biodiversity. With these practical actions, Easpring is contributing to the building of a beautiful China.

Responses to issues in this Chapter

- Environmental compliance management
- Pollutant emissions
- Ecosystem and biodiversity conservation
- Utilization of water resources

- Utilization of Energy
- Circular economy
- Waste disposal

This Chapter responds to SDGs











Key Performance in this Chapter



Environmental Compliance

Easpring strictly abides by national and local laws and regulations such as the Environmental Protection Law of the People's Republic of China, and continuously improves the modernization level of Easpring's environmental governance.

Management System

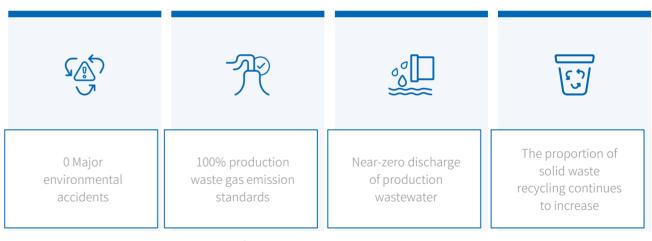
Easpring takes "providing green materials for pioneering products and continuously contributing to the era of ecological civilization" as its environmental management mission, and builds an environmental management system at a high level with reference to the ISO14001 environmental management system and its own management requirements.

Easpring takes the Safety Production Committee as the highest decision-making body in environmental management, with the chairman as the chairman of the committee. The members of the committee include Easpring's senior management, heads of relevant departments at the headquarters and subsidiaries. It is responsible for formulating Easpring's environmental management policies and measures, establishing and improving the environmental assessment system, organizing environmental inspections and supervising the rectification of hidden dangers. The office of the Committee is located in the EHS Management Department, which is responsible for guiding the environmental management work of subsidiaries and various departments, carrying out environmental inspections and special supervision, organizing emergency rescue work for major accidents, and being responsible for the investigation and handling of major accidents and handling and closing cases. Easpring's cathode material production bases that have been put into operation have independent safety and environmental protection departments and full-time environmental administrators, who are responsible for establishing, implementing, maintaining and continuously improving Easpring's environmental management system, promoting the implementation of various environmental protection systems, and improving Easpring's environmental management performance. As of the end of the reporting period, 100% of Easpring's cathode material production bases that have been put into operation have obtained ISO 14001 environmental management system certification.

Continue CONDECT

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Continue Con

Easpring has formulated and implemented internal management systems such as EHS Management Manual, Environmental Protection Management Regulations, Environmental Factor Identification and Assessment Control Procedures, and Ten Environmental Iron Regulations to clarify the process of environmental management, regularly identify the environmental factors and possible environmental impacts involved in business activities, and strictly implement control measures in accordance with relevant requirements to ensure the standardization and effectiveness of environmental management. Easpring sets and updates environmental management targets every year, tracks the performance of environmental targets of each department every month and incorporates them into the process performance appraisal. During the Year, Easpring's environmental management objectives are as follows:



Easpring's Environmental Management Objectives

During the reporting period, Easpring's environmental management objectives have been achieved, no major environmental emergencies have occurred, and no administrative penalties have been received from relevant departments such as ecological environment.

At the same time, according to the system certification requirements and the annual audit plan, Easpring has carried out special environmental audits and issued internal audit reports. During the reporting period, the special environmental audit covered 100% of the cathode material production bases that have been put into operation.

Environmental Protection Investment

Sufficient investment in environmental protection funds is the key guarantee for carrying out environmental protection work. Easpring firmly fulfills its commitments in environmental protection and maintains stable and continuous capital investment in various environmental protection work. With the completion of several new projects and environmental protection projects of Easpring, Easpring's environmental protection investment will gradually stabilize and maintain at a sufficient and reasonable level. During the reporting period, Easpring invested a total of RMB 13.99 million in environmental protection, and paid RMB 262,200 in environmental protection tax.

Environmental Emergency Response Capabilities and Training

Easpring continued to improve the environmental emergency management system, prepared documents such as *the Emergency Plan for Environmental Emergencies* and completed the filing with the local environmental protection management department to clarify the handling process of environmental emergencies. At the same time, Easpring has established an emergency rescue team, equipped with emergency management materials, and established a smooth reporting and emergency response mechanism for environmental emergencies with local environmental protection management departments.

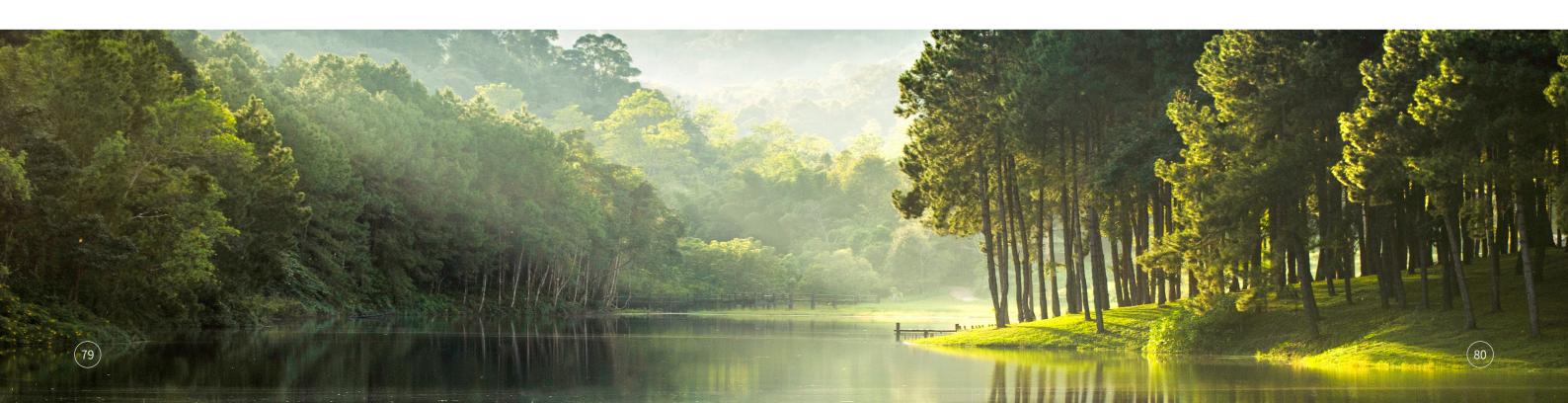
Easpring regularly conducts environmental protection training for all employees to raise their environmental awareness; Carry out special environmental protection training for personnel in key positions such as sewage stations and laboratories to effectively improve the professionalism of the environmental management team. Easpring's cathode material production base that has been put into operation organizes environmental incident emergency drills at least once a year to ensure that personnel can quickly and effectively carry out on-site emergency response work. During the reporting period, Easpring conducted environmental protection training with a total of 1,385 participants; Carried out 7 emergency drills for environmental emergencies.

Biodiversity Conservation

Easpring is highly concerned about the impact of its operational activities on biodiversity. Easpring strictly abides by laws and regulations related to biodiversity protection, such as the Wildlife Protection Law of the People's Republic of China, the Forest Law of the People's Republic of China and the Wetland Protection Law of the People's Republic of China, formulates and implements the Environmental Protection Management Regulations and the "Three Simultaneous Management Policy of Construction Projects", and defines the environmental protection requirements in all aspects of project design, planning and operation to reduce the impact on biodiversity and ecosystem.

During the project design and planning stage, Easpring carries out ecological and biodiversity risk and impact assessment, requiring new projects to meet the "three lines and one single" ecological environment zoning management and control requirements, and avoiding sites in nature reserves, world cultural and natural heritage sites, forest parks, geoparks, wetland parks and other protected areas, as well as near drinking water source protection. At the same time, Easpring actively carried out environmental management system certification and standardized management of three wastes, and adopted effective pollutant control measures to ensure that pollutants are discharged stably and up to standard, and reduce the impact on the surrounding environment.

As of the end of the reporting period, all production sites of Easpring are industrial sites, and there are no operating sites located in or near nature reserves and biodiversity-rich areas; No significant impacts on ecosystems and biodiversity have been identified for all production operations, products and services.



³ "Three lines and one list" refers to the ecological protection red line, the environmental quality bottom line, the resource utilization online, and the ecological environment access list

Pollutant and Waste Management

Easpring strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China and other standards such as the Integrated Wastewater Discharge Standard, the Integrated Air Pollutant Discharge Standard. Easpring strictly controls the generation and discharge of waste water, waste gas, solid waste and other pollutants in production and operation, take measures to control noise, and ensure that pollutant discharge is lawful and compliant.

Wastewater Management

Easpring's wastewater mainly includes production wastewater, domestic wastewater and factory rainwater. Following the principle of "rainwater and sewage diversion and clean sewage diversion", independent drainage pipe networks are set up respectively.

Easpring's production wastewater mainly includes precursor mother liquor wastewater, washing liquor wastewater, laboratory wastewater and workshop washing wastewater. Easpring formulated the "Environmental Protection Management Regulations", established a "three-level wastewater control process", and clarified the risk points and control measures of wastewater facilities at all levels.

For production wastewater and initial rainwater, Easpring adopts advanced wastewater treatment technology and builds a high-standard comprehensive sewage treatment station for treatment, giving priority to purification treatment and recycling to minimize wastewater discharge. During the reporting period, all production wastewater of Easpring Changzhou was reused after comprehensive treatment, achieving zero discharge.

A small part of other production wastewater and domestic sewage that need to be discharged will be discharged into municipal and park sewage treatment plants for further treatment after being treated by sewage treatment facilities. In 2024, Easpring has set and achieved the following production wastewater discharge targets:

Types of major pollutants	Annual targets	Target achievement
Total Nickel Emissions	Annual emissions not exceeding 0.25 tonnes	Emission of 0.0024 tonnes, achieved the target
Total COD Emissions	Annual emissions not exceeding 72 tonnes	Emissions of 3.29 tonnes, achieved the target
Total ammonia nitrogen emissions	Annual emissions not exceeding 20.92 tonnes	Emission of 0.65 tonnes, achieved the target

Easpring conducts online monitoring of all discharged wastewater pollutants, monitors the discharge situation in real time, and gives timely warning and prompt treatment in case of abnormality. At the same time, Easpring strictly complies with the requirements of national environmental monitoring technical specifications and environmental monitoring management regulations, and entrusts professional third parties to carry out sewage discharge data monitoring, including monitoring of major water pollutants at wastewater outlets, monitoring of rainwater discharge saliva pollutants, and environmental monitoring of surface water and groundwater. During the reporting period, Easpring entrusted a total of 46 independent monitoring sessions by third parties, and the results of online monitoring and independent monitoring of water pollution 100% met standards.

At the same time, Easpring has established effective wastewater emergency protection measures, and set up accident wastewater collection tanks, initial rainwater collection tanks, cofferdams and intercepting ditches and other facilities. Once a wastewater risk accident occurs, all accident wastewater will be guided to the accident wastewater collection tanks for centralized treatment. At the same time, relying on the topographic characteristics of each production site, Easpring has set up interception ditches around it. The initial rainwater is collected to the initial rainwater collection tank through the control valve, and the rest of the rainwater is discharged into the rainwater pipe network of the park in an orderly manner, which can realize the control of accident wastewater and possibly polluted rainwater. Through these measures, Easpring manages wastewater comprehensively to control and minimize environmental impact.

Waste Gas Treatment

Easpring will produce a certain amount of waste gas during its operation. Easpring's waste gas includes three parts: production waste gas, experimental waste gas and domestic waste gas. The production waste gas mainly includes dust generated in product crushing, mixing, packaging and other sections, liquid phase precipitation in the wet workshop, Ammonia gas generated in aging, washing and filtration pressing processes, and lithium iron phosphate sintering tail gas, etc.

Easpring has formulated and implemented *the Environmental Protection Management Regulations* and adopted a series of measures such as source reduction, process control and end-of-terminal treatment to carry out targeted emission control of pollutants to protect the health and safety of on-site workers. Easpring has a fully closed production system, automatic feeding, closed packaging, and captures waste gas pollutants generated in each process through negative pressure. The capture rate is expected to reach more than 99%, reducing unorganized waste gas emissions from the source.

Easpring has clarified the sources and types of exhaust gas emissions in each part, and adopted scientific and reasonable treatment methods.



- Dust (including nickel, cobalt, manganese and their compounds and particulate matter) is treated by filter cartridge and sintered plate dust collector, and a very small amount of dust is discharged through the exhaust pipe in compliance;
- Ammonia gas is condensed and recovered to achieve clean production.
- The temperature at the end of lithium iron phosphate burning is incinerated in an RTO incinerator, and the discharge meets the standard after bag dust removal and activated carbon adsorption.

For experimental waste gas, its sources, types and treatment methods are:







Ammonia acid mist, nitrogen oxides, ammonia and volatile organic compounds (VOCs) are uniformly treated by the acid-base neutralization treatment tower in the fume hood and then discharged in compliance.

For domestic waste gas, its sources, types and treatment methods are:



The canteen oil fume is discharged in compliance with regulations after being treated by the canteen oil fume purifier.

Types of major pollutants	Annual targets	Target achievement
Ammonia gas	Annual emissions not exceeding 1.45 tonnes	Emission of 1.07 tonnes, target reached
Particulate matter	Annual emissions not exceeding 16.34 tonnes	Emission of 3.03 tonnes, target reached

During the reporting period, the output of Easpring's precursors and other process products increased, but through the continuous improvement of the waste gas treatment process, the emissions of various major waste gas emissions remained fluctuating and stable. At the same time, Easpring has set up standardized waste gas sampling points and entrusted a third-party professional organization to monitor the discharge outlets and environmental monitoring points. During the reporting period, Easpring carried out 35 independent monitoring of waste gas pollutants, and 100% of the monitoring results met the standards.

Solid Waste Treatment

Waste generated by Easpring includes general industrial solid waste and hazardous solid waste. General industrial solid waste mainly includes office waste, general packaging materials, domestic waste, etc. Hazardous waste mainly includes waste engine oil, waste oil barrels, nickel-containing waste packaging and waste filter cartridges, etc.

Adhering to the waste management principle of "reduction, recycling and harmlessness", Easpring formulated and implemented the Regulations on the Management of Solid Waste Reduction and Resource Recycling, clarified the workflow of solid waste reduction and recycling, and continuously standardized waste management.

For general industrial solid waste, Easpring sets up domestic waste classification boxes and general solid waste warehouses in domestic and production areas, and then entrusts downstream suppliers to process or recycle them for comprehensive utilization. At the same time, Easpring actively recycles solid waste containing metal compounds and other recyclable materials, and comprehensively utilizes other general wastes by trade-in or external sales to improve the recycling rate of wastes. During the Reporting Period, Easpring disposed of 1,224.70 tonnes of general solid waste, achieving a year-on-year decrease of approximately 18% in general waste discharge. For hazardous waste, Easpring has set up a dedicated hazardous waste



Garbage Sorting Box

storage room to prevent leakage disposal on the ground, posted obvious signs, and regularly entrusted qualified hazardous waste treatment suppliers to remove, transport and dispose of hazardous waste in compliance. During the reporting period, Easpring disposed of 123.96 tonnes of hazardous waste.

Noise Control

The noise generated by Easpring is mainly mechanical noise caused by mechanical impact, friction, rotation, etc. and aerodynamic noise caused by aerodynamic force of air.

Easpring gives priority to low-noise equipment, reduces noise by improving production processes, equipment shockabsorbing transformation, installing noise-absorbing devices, strengthening building sound insulation, optimizing production management and other measures, and regularly carries out noise monitoring to effectively reduce noise and control its environmental impact.

During the reporting period, Easpring carried out 9 independent noise monitoring times, and 100% of the noise monitoring results at the factory boundary during the day and night met the standards.

Noise Control of Easpring SDIG Panzhihua for Air Compressor Room

In 2024, Easpring SDIG Panzhihua will carry out a jet crushing system noise control project in the air compressor room of the first workshop. By installing sound absorption and insulation modules, adopting active elimination technology, installing sound-absorbing materials, and mechanical improvements, it will achieve noise reduction of more than 15 dB.

Ouality, Innovation and Development

Resource management

Adhering to the principle of sustainable development, Easpring incorporates the concepts of water conservation, energy quota management, continuously improves the level of resource conservation and intensive utilization, and promotes the comprehensive green transformation of economic and social development.

Water Resources Management

Easpring's water source is municipal water supply, which is mainly used for daily production and life, and does not belong to high water consumption industries. Easpring strictly abides by the Water Law of the People's Republic of China, "Water Conservation Regulations" and other laws and regulations, attaches importance to and continuously improves water resources management, formulates reasonable water management plans with the help of the "water balance model" of each production base, and regularly conducts on-site surveys on water use scenarios and recycled water reuse scenarios. Reduce "leakage" and waste of water resources. During the reporting period, Easpring had no direct or indirect significant impact on water resources caused by changes in water intake, water consumption, drainage or water storage, nor had it experienced difficulties in water intake.

Recycling water is an important measure for Easpring to fundamentally reduce water intake, protect fresh water resources and reduce water pressure. Through the use of recycled water equipment and technology, and the installation of filtration and reverse osmosis systems in self-built sewage treatment stations, Easpring minimizes the consumption of new water and maximizes water efficiency. During the reporting period, Easpring's total water intake was 545,500 tonnes, and its recycling water consumption was 149,300 tons.

In addition, Easpring actively organizes water-saving initiatives and calls on employees to participate in water resources protection actions to further enhance employees' awareness of water conservation.



World Water Day, China Water Week Theme Activities

Energy Management

The direct energy consumed by Easpring includes natural gas, gasoline and diesel, and the indirect energy includes spontaneous electricity, purchased electricity and steam, etc. Easpring does not belong to a high energy-consuming industry.

Easpring strictly abides by the Energy Law of the People's Republic of China and other legal norms, relies on a sound energy management system and the construction of a digital management system to continuously improve the use of clean energy and continue to promote Easpring's green and high-quality development. With reference to ISO 50001 and other standards, Easpring has formulated internal formulations such as Energy Management Regulations, continuously established and improved the energy management system, clarified the energy management process and responsibilities of responsible departments, and set up special management departments in all production bases to be responsible for the formulation, approval and assessment management of energy consumption plans, etc. At the same time, Easpring regularly conducts special energy audits in accordance with system certification requirements and annual audit plans, and issues internal audit reports on the energy management system. As at the end of the reporting period, Easpring Changzhou and Easpring Jiangsu have obtained ISO 50001 energy management system certification.





ISO 50001 Environmental Management System Certification

Easpring continues to optimize the construction of digital energy management system, and the energy management system is interconnected with DCS, power backend and other systems to achieve accurate collection of energy data, real-time monitoring and abnormal warning. At the same time, Easpring has formulated a standard product energy consumption model and updated it regularly to continuously improve the energy utilization rate. During the reporting period, Easpring Changzhou completed the application of digital energy management system, and the timely feedback rate of abnormal energy consumption increased by 80%, improving the level of refined energy management.

Easpring is committed to increasing the proportion of clean energy use. By investing in the construction of new factories in areas rich in renewable energy, applying clean energy such as natural gas, and building its own rooftop distributed photovoltaic projects, Easpring has accelerated the transformation to a cleaner production model. During the reporting period, the third phase of Easpring Jiangsu photovoltaic power generation project was successfully connected to the grid. Easpring's annual total photovoltaic power generation can reach 7,807.51 MWh, and clean energy⁴ use accounts for 10.58%.



Easpring Jiangsu Photovoltaic Power Generation Phase III Project was successfully connected to the grid



Easpring Changzhou Rooftop Distributed Photovoltaic

Circular Economy

Faced with the challenges and opportunities brought by a series of overseas sustainable policies and regulations such as the European Union's new EU regulation for batteries, Easpring is actively promoting its investment layout in the field of battery recycling, and has conducted on-site research on multiple power battery recycling projects. At the same time, Easpring actively leverages industrial synergy effects and has reached in-depth strategic cooperation with high-quality suppliers in the industry such as Huayou Cobalt, GEM, and Zhongwei. Focusing on key materials such as cobalt, nickel, and lithium, Easpring has expanded recycling channels, recycling technology research and development, resource sharing, etc. Easpring carries out close cooperation in multiple dimensions and jointly assume extended producer responsibilities.

Easpring actively integrates the concept of circular economy and is committed to the efficient utilization of materials. Through innovative processes and technological upgrades, Easpring realizes the recycling of materials in the production process and the recycling of packaging materials to minimize resource consumption and waste discharge.

Material Reuse Excavating the recycling capacity of production materials, achieve efficient recovery and recycling of materials in the production process through production process optimization and process updating, and reduce waste of raw materials and external dependence.

Packaging Recycling Optimizing the packaging recycling system, actively reduce the amount of new packaging materials put into use, carry out ton bag recycling plan, delivery pallet recycling mechanism, and use recyclable sampling bottles for sampling disposable aluminum foil bags in the pre-processing link, etc. Achieve packaging reduction and reuse in multiple links.

In addition, Easpring implements the principle of circular economy throughout the R&D and production of green and low-carbon products, and creates resource-saving and environment-friendly products. During the reporting period, 16 products of Easpring, including multi-component materials and lithium cobalt oxide materials, passed the annual audit of UL Solutions and obtained UL 2809 recycled material content certification.









⁴Clean energy refers to the energy generated by solar power and natural ga

06

Value Chain Management

Under the new pattern of global competition and industrial transformation, Easpring deeply practices supply chain resilience construction and industrial chain value co-creation. By building a stable and reliable supply chain system, it creates a supply ecosystem with shared responsibilities and leads industry technological collaborative innovation. Easpring is promoting the symbiosis and co-prosperity of the entire industry chain with high-quality development.

Responses to issues in this chapter

- Supply chain security
- Responsible supply chain
- · client service and communication
- This chapter responds to SDGs





- Compliance marketing
- Equal treatment to SMEs

Key Performance in this Chapter

- Supplier training coverage 100%
- Supplier annual audit completion rate 100%
- The signing rate of *the Supplier Code of Conduct* for main material suppliers is 100%
- Major negative events occurred in the supply chain is 0
- The prompt handling rate of client product service complaints is 100%.



Supply Chain Management

The safety, stability and sustainability of the supply chain are crucial to Easpring's production and operation. In promoting the construction of the global supply chain, Easpring standardizes the whole life cycle management of suppliers, standardizes the ESG behavior of suppliers, strengthens the sustainable development capabilities of suppliers, and promotes the coordination and cooperation between the upstream and downstream of the industrial chain in the field of sustainable development, sharing responsibilities and opportunities.

Supply Chain Security Management

A stable supply of raw materials is crucial to Easpring's continuous production. Easpring continues to promote the construction of the global supply chain, strives to improve the stability and competitiveness of the supply chain, ensures the safe and stable supply of key raw materials such as nickel, cobalt, manganese, and lithium, and controllable costs, so as to achieve in-depth synergy in the industrial chain.

Easpring has formulated a supply chain construction plan, working with key metal suppliers in the industry to jointly build upstream resources. Through multi-dimensional measures, Easpring has strengthened the resilience of the supply chain and established a strategic supply chain system that integrates "resources-technology-market". In conjunction with the "1+2+N" supplier strategy, cost prediction models for bulk raw materials such as cobalt, lithium, nickel, manganese, and iron phosphate have been established. This ensures that there are no fewer than two qualified suppliers for main raw materials, further safeguarding supply chain security and enhancing the ability to cope with market fluctuations. During the reporting period, Easpring established the Easpring Finland, which further improved Easpring's resource control and product competitiveness by relying on the partner's resource advantages in nickel and cobalt resources and spodumene.

At the same time, Easpring has formulated an emergency supply plan for key raw materials, and defined the specific process, response level and time requirements of emergency response in view of the interruption and shortage of key raw materials supply and other situations that may affect production, so as to ensure that effective measures can be taken quickly in case of emergencies, and realize the stable operation of the supply chain and controllable risks.

Supplier Lifecycle Management

Easpring has formulated and implemented the Supplier Management Control Procedures, Supplier Selection Management Regulations, Supplier Audit Management Regulations, Supplier Evaluation Management Regulations and other systems, clarified the processes and requirements of supplier classification and hierarchical management, development, access, evaluation and elimination, and implemented standardized supplier life cycle management to ensure that suppliers with relevant qualifications and strength can continuously provide stable and high-quality supplies.

Supplier
Development and Access

- During the potential supplier identification phase, conduct preliminary screening and evaluation of suppliers to ensure they have production and quality assurance capabilities, while also communicating thoroughly to clarify quality requirements and standards, ensuring that suppliers can meet Easpring's quality demands.
- In the development and introduction phase, conduct in-depth audits and assessments of suppliers to ensure product quality and stability. During the reporting period, Easpring achieved a 100% execution rate for new supplier and new product introduction audits, ensuring the quality of qualified suppliers.

Supplier Assessment

- Regularly conduct evaluations and audits of suppliers, using various audit formats such as system audits, process audits, and product audits to systematically identify supplier management and product risks. Generate a supplier rectification list and urge suppliers to make corrections while tracking and confirming the effectiveness.
- Based on the supplier evaluation results, suppliers can be categorized from high to low into four levels: A, B, C, and D, with clear management principles for each level. During the reporting period, Easpring achieved a 100% completion rate for annual supplier evaluations and annual supplier audits.

Supplier Elimination

Establish a mechanism for the elimination and exit of suppliers. For those suppliers who are unqualified and lack a good awareness of improvement, they would be eliminated. In severe cases, they would be included in Easpring's supplier blacklist management scope.

Easpring launched the supplier management system SRM, which realized the online management of supplier information registration, access, review, assessment, change management and elimination processes, regularly analyzed and evaluated qualified suppliers, and improved the efficiency and precision of supplier management.

At the same time, Easpring has established a cooperative relationship of mutual trust and mutual assistance with suppliers. Through systematic training and professional technical support, Easpring has improved the business activities of suppliers to reach high standards and coordinated the sustainable development of the supply chain. During the Reporting Period, Easpring conducted 4 trainings for suppliers, and the coverage rate of supplier training was 100%.

Supply Chain ESG Management

Easpring practices the concept of sustainable procurement, promotes suppliers to improve their environmental and safety management performance, strictly screens partners who meet environmental protection and social responsibility standards in the procurement process, actively promotes suppliers to improve their environmental and safety management performance, and works with upstream partners to build a dignified and responsible supply chain.

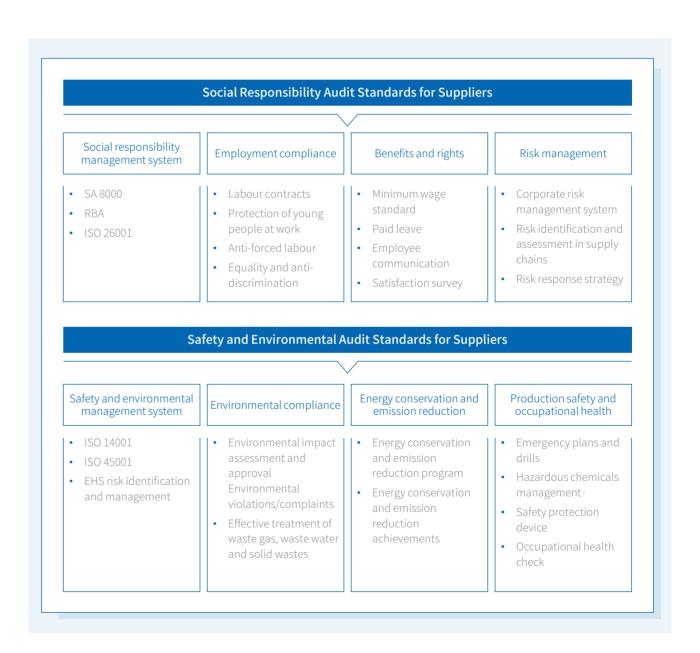
In compliance with the guidelines of the Ten Guidelines of the United Nations Global Compact, the Convention on the Rights of the Child, the Convention on the Rights of the Child, the Convention on the Minimum Working Age, the International Labour Standards, the United Nations Convention against Corruption, and the International Labour Organization's Safety and Health Implementation Guidelines, Easpring has formulated the Supplier Code of Conduct, which specifies the expectations and requirements for responsible behaviors of suppliers in labor and human rights, health and safety, environmental protection, ethics and corporate governance, and requires suppliers to sign the Code of Conduct commitment to continuously improve the sustainable development performance of the overall supply chain through continuous supplier ESG cooperation and development.

During the reporting period, 100% of Easpring's main material suppliers signed the Supplier Code of Conduct.

ESG Dimensions	Requirements for suppliers
Labour and Human Rights	Suppliers should prohibit child labour and forced labour, oppose discrimination in recruitment or employment, protect employees' reasonable working hours, wages and benefits, and ensure employees' freedom of association.
Health and Safety	Suppliers shall ensure the occupational safety of employees, implement machine protection, improve emergency management, prevent work-related injuries and diseases, provide hygienic living conditions for employees, and carry out health and safety related training.
Environmental Protection	Suppliers shall comply with environmental protection laws and regulations, prevent environmental pollution and save resources, control pollution emissions, and try their best to reduce the negative impact of harmful substances on the environment.
Code of Ethics	Suppliers should abide by business integrity, oppose unfair competition, unblock reporting channels, protect intellectual property rights, implement information disclosure policies, and actively participate in community activities.
Corporate Governance	Suppliers should implement ESG management responsibilities and obligations, carry out ESG risk assessment and management, establish information communication procedures, and clarify the corrective action process.

Easpring incorporates ESG audit into supplier life cycle management activities, conducts quarterly evaluation and annual on-site audit of suppliers as planned, covering ESG management requirements such as social responsibility management system, safety and environmental management system, environmental compliance, energy conservation and emission reduction, employment compliance and business ethics, so as to identify ESG-related risks of suppliers and urge suppliers to improve their ESG performance, and strive to build a green and responsible supply chain system.

During the Reporting Period, there were no major negative incidents in the supply chain, and the certification rate of ISO9001 quality management system, ISO14001 environmental management system and ISO45001 occupational health and safety management system of qualified suppliers was 100%, 81% and 79%.



Responsible Mineral Diligence

Nickel, cobalt, manganese, and lithium are essential raw material elements for Easpring's products at present, and Easpring is in the middle reaches of the responsible mineral supply chain. Easpring follows relevant policies such as the Guidelines for Responsible Supply Chain Management of China issued by the China Chamber of Commerce for Import and Export of Minerals, Metals and Chemicals (CCCMC) and the Guidelines for Responsible Supply Chain Management of Ore from Conflict-Affected and High-Risk Areas (3rd Edition) issued by the Organization for Economic Cooperation and Development (OECD) to continuously strengthen its own supply chain management and promote upstream and downstream companies to jointly perform responsible procurement.

Easpring carries out responsible supply chain due diligence management for cobalt, nickel, manganese, and lithium in accordance with the five-step method in *the OECD Mineral Diligence Guidelines*, an internationally recognized authoritative standard in the field of mineral supply chain due diligence, and advocates upstream and downstream to adopt and use them. Easpring continues to expand the scope of responsible mineral supply chain due diligence management, include iron and phosphorus into the scope of supply chain due diligence management, and make efforts to build a sustainable and responsible mineral supply chain.

Establish a sound due diligence management system

- Management policies such as *Responsible Mineral Supply Chain Due Diligence Policy, Supplier Code of Conduct, Easpring Human Rights Policy* and *Business Ethics Policy* have been formulated
- The Supply Chain Management Committee was established and the Administrative Measures of the Supply Chain Management Committee were formulated. At the beginning of each year, the Supply Chain Management Committee conducts management review on the responsible management of the mineral supply chain in the previous year, inspects the results of supplier audit and the implementation effectiveness of client audit improvement measures in the previous year, puts forward corrective and preventive measures for problems and follow up the implementation

Director of the Management Committee (General Manager)

Representative of the Management System (the Procurement Head)

Deputy Director of the Management Committee (the Procurement Head)

Deputy Director of the Management Committee (the Human Resources Head)

Deputy Director of the Management Committee (the Finance Head)

Deputy Director of the Management Committee (the Marketing Head)

Deputy Director of the Management Committee (the Production Head)

- Communicate Easpring's conflict minerals policy to suppliers, and 100% of the suppliers sign the Statement on Non-Use of Conflict Minerals" commitment letter
- Established an efficient MES material traceability management and control system, from raw material warehousing, analysis and testing, production and manufacturing, finished product testing and outbound, to ensure the whole process tracking from raw material source to finished product shipment to client
- Trace the source of purchased materials through supply chain map, and conduct pre-audit and self-evaluation of suppliers
- Training materials related to responsible minerals are sent to suppliers from time to time to guide suppliers to improve their ability to conduct due diligence on upstream
- The Measures for the Management of Responsible Supply Chain Complaints have been formulated, which clarifies the complaint channels and handling procedures. As of the end of the reporting period, Easpring had not received any complaints

Responsible Supply Chain Due Diligence Management

Identification and assessment of supply chain risks

- The Regulations on Responsible Supply Chain Management have been formulated, which clarifies the due diligence methods for the upstream supply chain, including risk identification and mitigation measures in the supply chain. During the reporting period, Easpring completed 100% data collection of qualified suppliers of precursors, tetracobalt, lithium salts and sulfates
- The risks identified through various channels such as Heidelberg's "Global Conflict Barometer" and the CAHRA list of EU conflict minerals regulations are sorted out and summarized, and the risks of each supplier are identified and evaluated. During the reporting period, Easpring's supply chain did not trigger warning signal risks

Develop and implement response strategies for identified risks

- Report the results of supply chain risk assessment to Easpring's senior management, monitor and track the performance of risk reduction measures, and report timely
- Incorporate responsible mineral management into supplier life cycle management activities, discuss risk mitigation measures with suppliers and stakeholders based on Easpring's risk mitigation strategy, and guide and help suppliers to establish and implement supply chain due diligence management system. During the reporting period, Easpring's supply chain was low-risk, and no supplier was suspended from trading due to risk reasons

Conduct independent third-party assessment and audit of identified key links in the supply chain

- Easpring incorporated the due diligence audit of responsible mineral supply chain into the on-site audit of suppliers, and completed the audit of 46 suppliers in total, and found no major problems involving child labor, inhuman treatment, forced labor, armed conflict and ecological damage
- Easpring accepts third-party audits to continuously promote the improvement of responsible management of Easpring's responsible mineral supply chain. During the Reporting Period, Easpring received 2 assessments and audits by independent third parties

Report on the supply chain risk management process and results

• Since 2020, Easpring has compiled and published the Responsible Mineral Supply Chain Diligence Management Report on the official website every year.

As a member of the Responsible Critical Mineral Initiative (RCI), Easpring has been committed to promoting the construction of a responsible critical mineral supply chain since joining the initiative in 2017. Easpring actively participates in building a communication and collaboration platform to promote information sharing and experience exchange between upstream and downstream enterprises in the critical mineral supply chain, and jointly mitigate ESG risks in the supply chain in a systematic way.



RCI conducted special training on "Trends and Challenges of Due Diligence Management of New Energy Battery Supply Chain"

In January 2024, Easpring invited RCI experts to conduct special training on "New Energy Battery Supply Chain Due Diligence Management Trends and Challenges" for the senior management team and heads of functional departments, and had in-depth exchanges with relevant experts to promote the implementation of supply chain due diligence management strategies, continuously Improve Easpring's supply chain due diligence management capabilities, and promote information transparency and effective



Training Site

Client Service

Adhering to the "client-centric" service concept, Easpring continues to improve the client service system, optimizes the complaint response mechanism, sincerely listens to clients' feedback on Easpring's products and services from multiple channels, and is committed to providing standardized service processes and reliable solutions to global clients.

Client Relationship Management

Easpring has formulated client relationship management system documents such as *the client Management Regulations*, and established a full-process client service response mechanism to continuously optimize client service experience and improve client service response speed.



Pre-sales services

In response to client needs, we provide development strategies and plans, early quotations, sample delivery, data archiving, technical support, supplier certification and other aspects of support.

In-sales services

To meet client needs, we offer a range of services such as logistics development, order delivery, returns and exchanges.

Post-sales services

We respond to and handle quality issues or discrepancies in products or services purchased by our clients and provide our clients with comprehensive technical support.

Easpring maintains active communication and exchange with clients. According to the management regulations of different levels of clients, the sales staff regularly understand the needs and feedback of clients by telephone, email, return visit, etc., and enter the information into the client information database. Easpring actively promotes a digital and intelligent client management model, and launches a client relationship management system (CRM). Through the CRM system, it continues to improve the whole process management of delivery including planning, review, delivery, return and exchange, return and disposal, and receipt, as well as the tracking closed-loop of client complaint handling process, so as to improve the efficiency of client service response. The system can also help automate client satisfaction surveys and provide data support for companies to improve client service quality.

During the reporting period, relying on Easpring's efforts in technological innovation, product quality, delivery capabilities and tacit cooperation, Easpring won awards such as "Best Partnership" and "Diamond Supplier" issued by clients.





Best Partnership Award

Diamond Supplier Award

At the same time, Easpring has set up a sales team with high technology, high execution ability and high service ability, and pays attention to improving the management ability of the marketing team to provide clients with a more accurate and high-quality service experience. During the Reporting Period, Easpring carried out a series of marketing capability improvement trainings, and promoted trainees' capability improvement in multiple dimensions through various forms such as course learning, case extraction and internal course sharing, with the training coverage rate of marketing personnel being 100%.



Marketing Ability Improvement Training Camp

Client Complaints and Satisfaction Survey

Easpring complies with relevant laws and regulations such as the Civil Code of the People's Republic of China and the Product Quality Law of the People's Republic of China, attaches great importance to client complaint management, formulates internal systems such as the Client Satisfaction Control Procedure and the client Complaint Control Procedure, establishes a standardized client complaint handling process, and defines the division of responsibilities for handling complaints, the level of client complaint handling, the response upgrade mechanism and the client complaint closure mechanism.

Easpring has established a multi-channel complaint feedback mechanism, and publicized channels such as telephone, email or fax on the official website, so as to quickly understand clients' problems and opinions on product quality and quality, technical and market services, product delivery, etc. during product use. During the reporting period, the timely handling rate of Easpring's client product and service complaints was 100%.

Every year, Easpring conducts client satisfaction surveys in the form of questionnaires, including the support of sales and technical personnel, technical level, delivery status, product quality, handling of client complaints, management of hazardous substances and other issues. During the reporting period, Easpring has set and achieved a client satisfaction rate of \geqslant 92%.

Based on the statistical analysis of client complaints and satisfaction surveys, Easpring formulates and forms the Internal Performance Monitoring Survey Statistics Form and the Client Satisfaction Improvement Measures every year, promotes horizontal development and preventive management among subsidiaries, and takes relevant management requirements as quality control input to continuously improve products and services and avoid similar problems.

Responsible Marketing

Easpring always adheres to the concept of integrity management, strictly abides by the Advertising Law of the People's Republic of China and other relevant laws and regulations, ensures the completeness and accuracy of information disclosure in the marketing process, integrates compliance awareness throughout the whole marketing process, and is committed to providing clients with safe and satisfactory products.

Improve system construction formulate internal construction such as the Measures for the Administration of News and Publicity and the Measures for the Administration of News and Publicity Platforms to standardize compliance marketing and publicity

mplementation of review mechanism A strict "three reviews and three proofs" mechanism is implemented for promotional materials such as company internal magazines, WeChat official accounts, video accounts, corporate intranets and posters, and a dedicated person is designated to be responsible for content review in each link

Compliance marketing promotion Carry out marketing system publicity activities to continuously improve employees' awareness and ability of compliance publicity

Information management:

Establish an online approval process for news releases, realize the process, standardization and information of news approval, and effectively improve the efficiency and transparency of approval

Carry out marketing review During the reporting period, the coverage rate of marketing review of Easpring reached 100%, effectively ensuring the accuracy and compliance of marketing content



Publicity and Implementation Training of the Administrative

Measures for News Publicity

Responsible Marketing Initiatives



Industry Development

Easpring continues to deepen diversified cooperation, actively expand the breadth and depth of cooperation, create a healthy and win-win cooperation ecosystem, and jointly promote industry development with all parties.

Deepen Industry Communication

Easpring gives full play to its resource advantages and professional capabilities, and actively carries out in-depth technical exchanges and cooperation with suppliers and partners. By participating in industry cooperation and exchange activities, Easpring links up with business partners upstream and downstream of the industrial chain, continues to deepen business cooperation, and jointly promotes the prosperity and development of the industry.

During the reporting period, Easpring actively participated in the 41st International Battery Symposium and Exhibition, China International Battery Technology Exchange (CIBF) and other lithium battery industry-related exhibitions, showing Easpring's scientific and technological innovation strength and advanced battery material technology to global clients, and discussing advanced battery technology, market trend and future prospects with many international enterprises, experts and scholars in the lithium battery industry. Easpring continues to lead the technological progress of the global lithium battery cathode material industry. At the same time, it has listened to opinions and suggestions from all parties and gained an in-depth understanding of industry needs and market trends.

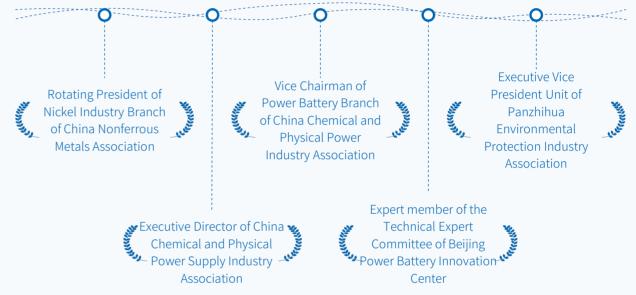


The 41st International Battery Seminar and Exhibition



The 16th International Battery Technology Exchange Conference/Exhibition

At the same time, Easpring also actively contributes wisdom and strength to the development of the industry and undertakes important work in the following industry associations.



I Equal Treatment of SMEs

Easpring complies with laws and regulations such as the Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises, the Regulations on Guaranteeing the Payment of Small and Medium-sized Enterprises, and the Provisional Regulations on Enterprise Information Disclosure, and is committed to maintaining the fairness and justice of the supply chain and ensuring the equal status of small and medium-sized enterprises in cooperation. As of the end of the reporting period, Easpring did not publicize the overdue payment information of small and medium-sized enterprises to the public through the national enterprise credit information publicity system.

07

Employee and Community Care

Easpring has always adhered to the employment concept of "valuing the virtues of individuals and harnessing their talents", promoted the establishment of a human resources system that is compatible with the development of globalization, built an enterprise stage that attracts all kinds of professionals to gather and achieve their career dreams, formed an all-round and multi-level talent training system, fully protected the rights and interests of employees, and satisfied their yearning for a better life. At the same time, Easpring actively participated in public welfare undertakings, promoted the all-round progress and development of society with its own actions, and created a bright future for sharing sustainable

Responses to issues in this chapter

- Compliance employment
- Employee development and training
- Employee rights and benefits

- Occupational health and safety
- Social contribution and rural revitalization

This chapter responds to SDGs















Key Performance in this Chapter

- · Easpring's cash welfare investment amount is RMB 24.4884 million, and the non-cash welfare investment amount is RMB 12.6005 million
- The production base for positive electrode materials has achieved a 100% ISO 45001 Occupational Health and Safety Management System certification
- The investment in safety is RMB 14.4855 million, and the investment in work injury insurance is RMB

- Volunteer services were provided by 127 individuals, with a total service duration of 528 hours



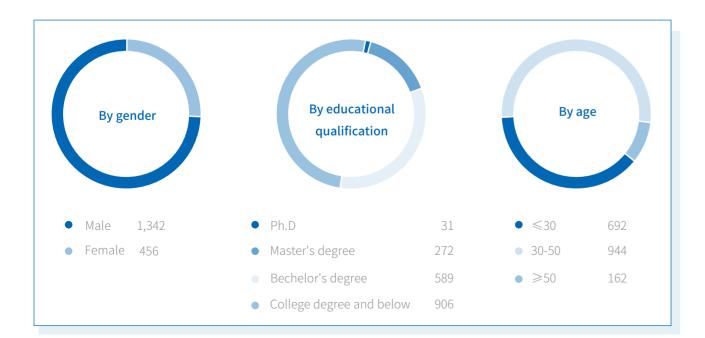
Response Management

Easpring takes "becoming the world's leading innovative enterprise" as its strategic goal of talent development. Driven by a talent development strategy centered around business expansion and technological leadership, we focus on the four key aspects of "selection, cultivation, utilization, and retention". Easpring continues to build three core teams of "management team with international vision", "R&D team with leading technology" and "industrial workers with professional skills" to provide a solid talent guarantee for Easpring's high-quality development.

Recruitment and Employment

Easpring complies with relevant laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of Women's Rights and Interests and the Provisions on the Prohibition of Using Child Labor, and practices the recruitment principle of "openness and transparency, merit-based recruitment, internal and external recruitment".

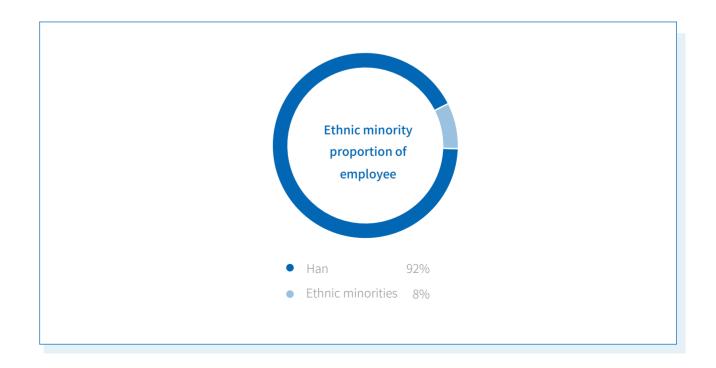
Easpring standardized the recruitment and recruitment process, formulated and implemented management systems such as the Employee Recruitment Management Regulations and Employee Entry, Resignation and On-the-job Management Regulations, clarified the process of employee recruitment, recruitment and resignation, and promoted the continuous optimization and improvement of the recruitment management system. Combined with the requirements of territorial management, each subsidiary and the labor union signed corresponding collective contracts such as the Comprehensive Collective Contract, the Special Collective Contract for Wages, the Collective Contract for the Protection of the Rights and Interests of Female Employees, and the Special Collective Contract for Labor Safety and Health to fully protect the legitimate rights and interests of employees.



In compliance with international guidelines such as the United Nations Universal Declaration of Human Rights, the International Labor Organization's Declaration on Basic Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, and with reference to the provisions of the United Nations Global Compact, Easpring has formulated the Easpring Human Rights Policy, conducted human rights due diligence, assessed actual and possible human rights impacts, prevented and mitigated human rights risks, and established a human rights complaint mechanism to ensure that all employees receive fair and just career development opportunities.

Easpring has formulated the Regulations on the Management of Ethical Responsibility, the Regulations on the Protection of Child Labor and Juvenile Workers, the Regulations on the Management of No Harassment and No Cruelty and the Regulations on the Management of No Discrimination, strengthened the identification of candidates in the recruitment process, formulated remedial and preventive measures, and required suppliers and service providers not to use child labor; Easpring prohibits any form of employment and occupation discrimination, adopts a zero-tolerance attitude towards any offensive or insulting harassment or behavior, and eliminates all discrimination against ethnicity, race, gender, region or nationality. During the Reporting Period, there was no incident of child labor, forced labor and discrimination.

In terms of diversified employment, Easpring attaches great importance to the diversity of its workforce, fully respects freedom of association, and is committed to creating a friendly and inclusive workplace environment. Easpring adheres to equal employment opportunities, actively provides equal employment opportunities for people with disabilities, and recruits and employs ethnic minority employees from different ethnic groups. During the reporting period, Easpring had a total of 11 disabled employees, and minority employees accounted for 8%.



Employee Compensation and Benefits

Easpring attaches great importance to the employee remuneration and welfare system, formulates and implements the Remuneration Management Regulations and Employee Performance Management Regulations and other systems, and builds an institutional system for sharing results with value creators. Easpring takes responsibility, ability and performance as the core basis for remuneration, comprehensively considers job value, job skills, competence and other aspects, and determines employee salaries and bonuses with reference to market salary levels, so as to provide employees with competitive job opportunities and remuneration benefits.

Easpring has established a complete welfare system, which provides all employees with full payment of five social insurances and one housing fund and statutory holiday benefits, and provides inclusive benefits for all employees, and provides special benefits for some special positions and employees. During the reporting period, Easpring invested RMB 24.4884 million in cash welfare and RMB 12.6005 million in non-cash welfare.

social insurance, housing accumulation fund, statutory holidays, etc.
 supplementary medical insurance, group accident insurance, critical illness insurance, health examination, birthday benefits, holiday benefits, communication benefits, meal benefits, marriage and maternity benefits, shuttle bus, etc.
 special post allowance, dispatch allowance, public rental housing, free dormitory (factory), serious illness solatium, survivors' pension, etc.

At the same time, Easpring has introduced an industry-leading employee stock ownership plan, deeply integrates excess profit distribution with long-term incentive mechanisms, and implements multiple rounds of management and core backbone equity shareholding increase plans to further stimulate the value creation potential of the management team and core backbones. Share the fruits of Easpring's high-quality development. At present, the beneficiaries of Easpring's equity incentive policy cover Easpring's directors, senior managers, subsidiary directors, supervisors, managers and core employees, etc. During the reporting period, Easpring implemented the 2024 management and core backbone equity increase plan, with more than 300 participants.

Employee Activities and Care

Easpring advocates the concept of healthy work and happy life, and is committed to creating a safe, happy and healthy working environment for employees. Every year, Easpring regularly carries out a variety of activities such as "sending warmth in winter", "sending coolness in summer", sending blessings during holidays, tea parties, essay writing and photography, and team development, which creates a good corporate atmosphere and enhances Easpring's cohesion. At the same time, Easpring advocates the combination of work and rest for employees, and organizes various cultural and sports activities such as basketball, badminton and table tennis for employees to promote the balance between work and life and enjoy a colorful life.

Set up summer daycare classes for employees' children

In response to the practical problems of summer care for employees' children, Easpring Changzhou has launched a summer daycare class for employees' children to effectively solve the need of daycare for employees' children during the summer vacation, so that employees can work with peace of mind and have no worries.





Summer daycare class for employees' children

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Family open day activity at Easpring Jiangsu

In May 2024, Easpring Jiangsu held a family open day event with the theme of "When Love Has a Home · Rising Sun", allowing employees' families to have a deeper understanding of Easpring's development achievements, personally feel the charm of corporate culture, and intuitively experience the working environment of employees. Further strengthen the emotional connection between employees and their families, and enhance employees' sense of belonging and the cohesion of the enterprise.



Family Open Day Activities



Celebrate the Torch Festival

"Yi Torch Festival" is one of the national intangible cultural heritages and the most distinctive folk activity in Panxi area. In July 2024, Easpring SDIG Panzhihua held the "Celebrate the Torch Festival and Ignite the Passion for Food" activity to promote national culture, enhance national unity, enrich the cultural life of employees, and provide employees with a relaxing and joyful atmosphere.



Torch Festival



Activities for celebrating employees' children's school admission

Beijing Zodngoc expressed warm celebrations to Easpring's employees and their children who took the college entrance examination in 2024, sent them sincere blessings on their way to study, and presented them with gifts for further studies, injecting more benefits into employees and their families.



Celebrations for Employees 'Children's School Admission





Holiday events









Team Development Activities

Cultural and sports activities

Easpring actively safeguards and protects the legitimate rights and interests of female employees, engages psychologists and legal experts as experts of Carnation Workstation, carries out legal popularization activities such as the Law on the Protection of Women's Rights and Interests, declares mutual assistance protection plans for special diseases for female employees, and carries out festival activities such as International Women's Day and Mother's Day, so as to implement the concern and attention for female employees and create a company atmosphere full of humanistic care. During the reporting period, Easpring Jiangsu won the Demonstration Unit Award of Carnation Service Station for Female Employees of Haimen District Federation of Trade Unions of Nantong City and the Advanced Collective Award for Female Employees.



Advanced Collective Award for Female Workers



Demonstration Unit Award for Carnation Service Station for Female Workers

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I Employee Communication Channels

Easpring attaches great importance to employees' voices and suggestions, actively builds diversified communication platforms, listens to employees and angles, and is committed to building harmonious labor relations and optimizing employee experience.



Easpring has established a smooth and confidential employee complaint and reporting mechanism, formulated and implemented the Internal Communication Management Regulations, Complaint Management Regulations, Management Regu

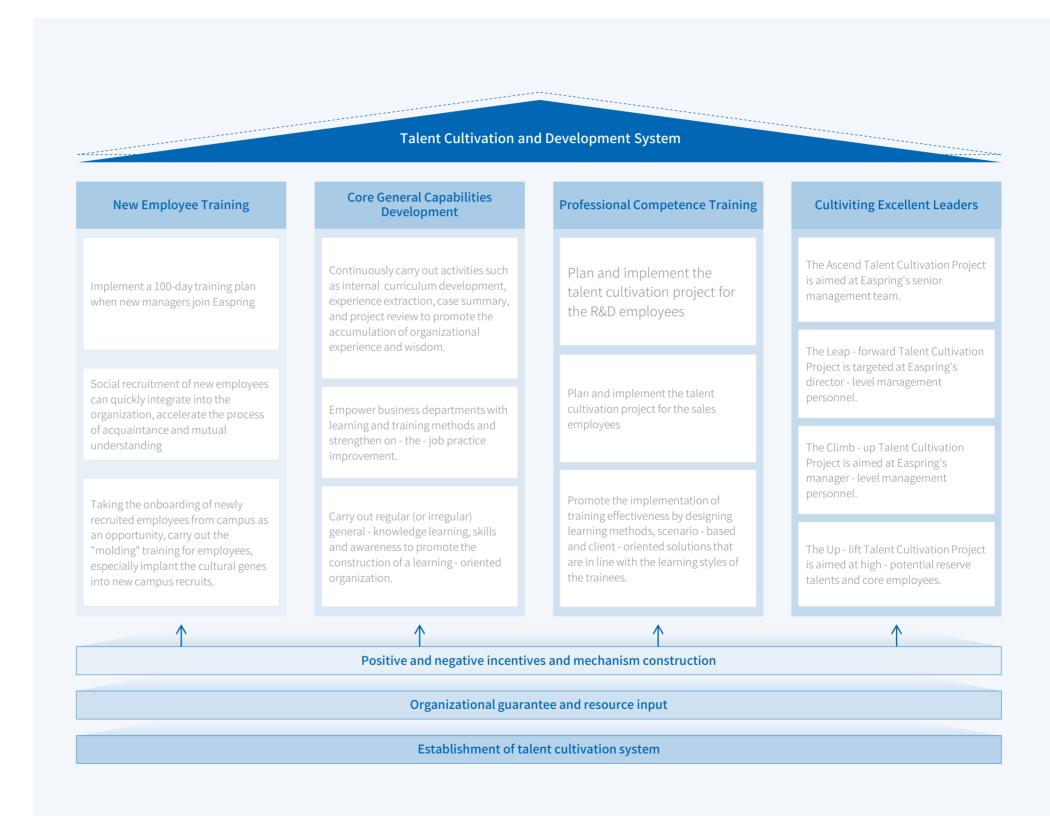
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Employee Training and Development

Easpring has built a comprehensive talent training system and a smooth career development channel for employees, closely integrating the personal development of employees with Easpring's long-term strategy, so that every employee can show value, ability and talent at work, and realize talent growth and company development resonate at the same frequency.

Talent Training System

Guided by talent strategy and business development, Easpring has formed a three-dimensional growth path with hierarchical classification, and established a multi-dimensional training system such as induction training for new employees, general training, professional training and leadership training, forming a complete talent supply chain from new employees to outstanding leaders, providing sustainable talent support for Easpring's development.



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Easpring has formulated and implemented the Employee Training Management Regulations and other systems, adopted the 721 training rules, clarified the management responsibilities and processes of training, and formed a training method that combines online and offline, combines training with combat, and closed-loop management before, during and after courses, comprehensively improving the job competence and business ability of employees. During the reporting period, Easpring's total annual expenditure on training reached RMB 1.0336 million.



Average training hours of male employees

9.64



Average training hours of female employees

8.70



Average training hours of management 13.35



Average training hours of grassroots

8.90

Average training hours of employees by gender

Average training hours of employees by position level

Easpring pays attention to the development of internal professional curriculum system and internal trainer talent team, starts the development of benchmark curriculum, realizes experience extraction and knowledge sharing, and strengthens the self-"hematopoiesis" ability of talent development.

Easpring supports and encourages all employees to improve their personal academic qualifications and skills, and makes every effort to empower employees to grow through various methods such as supports employees to realize their dreams, job skills competitions, and dual tutorial system. At the same time, Easpring has set up personal promotion incentive mechanisms such as "pursuing dreams of education" scholarships, academic salaries, and professional title salaries. During the reporting period, Easpring supported 19 employees to realize their personal academic dreams.







Internal Trainer Award Ceremony

Career Promotion and Development

Easpring adheres to the principles of objective, fair and fair promotion management, formulates and implements the Regulations on Qualification Management and Regulations on Employee Performance Management, comprehensively standardizes performance evaluation management, gives employees fair feedback, and provides them with a high-quality growth platform and broad career promotion space. Easpring has established a clear, scientific and reasonable career development system, followed the basic principle of "being able to go up and down", promoted the talent selection policy oriented by "performance, ability and morality", opened up multiple career development channels for employees, and carried out the construction of talent echelon in an orderly manner.

During the reporting period, Easpring formulated multi-dimensional trainings for new cadres, including trainings on role change, management skills and leadership, to assist new cadres in completing the change of thinking mode and management role, and to help them quickly adapt to the new working environment and improve their working ability and professionalism.

Occupational Health and Safety

Easpring strictly abides by laws and regulations such as the Safety Production Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Trade Union Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other laws and regulations, puts the health and safety of every employee first, continuously improves the occupational health and safety management system, establishes a safety production responsibility system covering all employees and rules and regulations covering all businesses, and builds a value-creating EHS culture system with Easpring characteristics. Committed to realizing the development goal of "pursuing beyond profit".

1 EHS policy 3 EHS Mission Safety First, People-Provide green materials for oriented, Full pioneer products and Participation, Green continue to contribute to the Development era of ecological civilization. **EHS Culture** System **2** EHS Vision 4 EHS Values Green Manufacturing, Safety and environmental Healthy Development protection are the red line, the most basic responsibility, the greatest benefit and the best welfare.

Occupational Health and Safety Management System

Easpring regards production safety as the lifeline of development. Based on the ISO45001 occupational health and safety management system, it has established a scientific and systematic management process, continuously improves safety management capabilities, builds a firewall to prevent production safety accidents, and comprehensively guarantees Easpring's production and operation safety. As at the end of the Reporting Period, Easpring's major production bases in operation have passed the ISO45001: 2018 occupational health and safety management system certification.



ISO45001 Occupational Health and Safety Management System Certification

During the reporting period, Easpring established a production safety committee, with the chairman of the board as the chairman of the committee. The members of the committee include Easpring's senior management, heads of relevant departments of the headquarters and subsidiaries, which is responsible for formulating Easpring's health and safety management policies and measures, establishing and improving the health and safety management assessment system, organizing health and safety management inspections and supervising the rectification of hidden dangers. The Work Safety Committee has an office of the Work Safety Committee, and the EHS Management Department takes the lead in putting forward suggestions on major policies and measures for production safety, organizing and carrying out various work related to production safety, and supervising the implementation of various work related to production safety.

Easpring has established systems and procedures such as EHS Management Manual, Safety Production Responsibility System for All Employees, Safety Production Risk Classification Management and Control and Hidden Danger Investigation Management Regulations, Safety Management Regulations for Relevant Parties at Headquarters, Office Building Management Regulations and Confined Space Management Regulations to implement the safety production management responsibilities of personnel at all levels, standardize safety production management requirements, clarify occupational health and safety management objectives, and regularly review and review safety management work and management effectiveness. During the reporting period, Easpring established and achieved the following occupational health and safety objectives.



At the same time, according to the system certification requirements and the annual audit plan, Easpring carried out a special occupational health and safety audit and issued an internal audit report. During the reporting period, the occupational health and safety audit covered 100% of the cathode material production bases that have been put into operation.

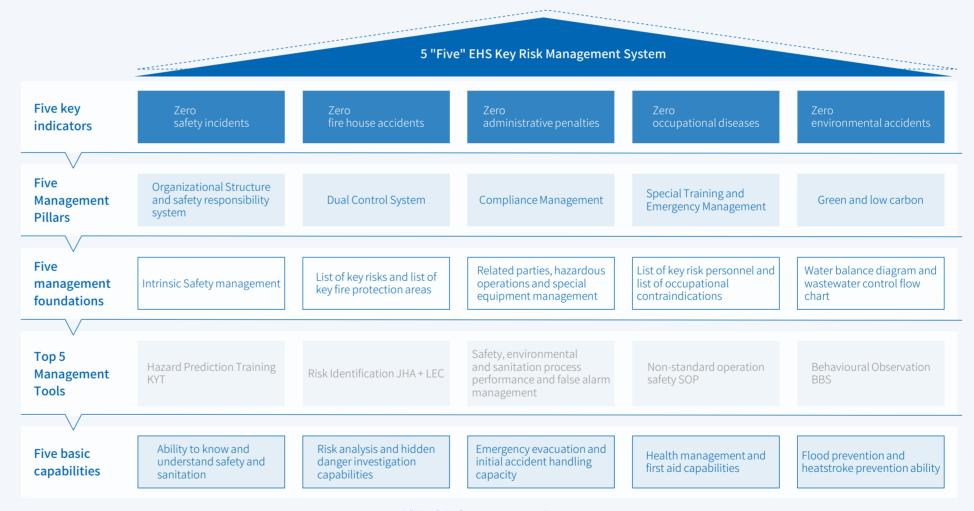
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Security Risk Management

Easpring has formulated a three-year action (2024-2026) to tackle the root cause of production safety, accelerate the transformation of the production safety governance model to prevention in advance, promote the continued stability of Easpring's production safety situation, and provide a safe and stable production and operation environment for Easpring's high-quality development.

Action phase	Main Tasks	Progression status
eliminate safety hazard and control risks	 Comprehensively carry out a round of special safety training and safety hazard investigation Gather to eliminate major accident hazards and ensure that major safety risks are controllable 	Completed
In 2025	Improve the "Five-Five" Risk Management System "	
strengthen the foundation and consolidate mechanism	 Consolidate key risk management and control measures, operate and continuously optimize key risk management system Comprehensively improve the safety awareness level of all employees 	In progress
efficiency improvement with technology to prevent risks	 Use modern information technology, such as safety production information platform, etc., to ensure realtime monitoring and early warning of various risks Safety work has been moved from safety hazard investigation to risk monitoring to ensure that various risks can be prevented 	To be carried out

During the reporting period, Easpring established a five-year "five-year" risk management system with the goal of "building an intrinsically safe enterprise" and "risk management and control" as the main line of work. Following the risk control principle of "elimination, substitution, engineering control, management control and equipping personal protective equipment", Easpring focuses on the systems and links with prominent risks and accidents prone, combines seasonal characteristics, joins internal and external experts, adopts a "pulse-feeling" regular safety inspection mechanism, combines daily inspection, weekly inspection, pre-holiday inspection, weekly inspection by part-time safety officers, special inspection and other methods to carry out in-depth safety hazard investigation, and fully guarantees Easpring's safety and environmental protection situation continuously and stably. At present, Easpring is still in the high-speed construction stage, and contractors and on-site suppliers have also been included in Easpring's integrated occupational health and safety management, and access review and process assessment have been carried out on contractors' safety qualifications, team quality and on-site management. During the reporting period, Easpring Jiangsu won the "Advanced Unit of Fire Safety Management in 2023" and was included in the "white list" enterprise of local administrative supervision (in the field of emergency management in 2024).



5 "Five" Risk Management System

Easpring puts the safety and health of employees at the top of its corporate operations, continuously increases its investment in employee safety and health, and builds a dual guarantee mechanism of safety investment and safety insurance. During the reporting period, Easpring invested approximately RMB 14.4855 million in various types of safety and RMB 1.1932 million in work-related injury insurance, covering all employees. In addition, Easpring also invested RMB 171,600 in employer liability insurance, further enhancing the protection of employees.

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Management of Occupational Health

Starting from protecting the health and safety of employees, Easpring adheres to the combination of "prevention, treatment, management and education", establishes a sound occupational health management system, implements occupational health and safety management from the aspects of providing personal protective equipment, carrying out health examinations and popularizing health culture, continuously improves the workplace environment and working conditions, and provides more comprehensive and effective health protection for employees. During the reporting period, no new occupational diseases occurred in Easpring.

Occupational health and safety protection





 Equipped with corresponding protective and emergency equipment in each workplace, standardized the notification and warning of occupational disease hazards in each workplace, carried out occupational health and safety training for all employees, and clarified occupational disease hazard factors and corresponding protective measures.

Occupational health and safety monitoring



According to the requirements of internal systems such as the Procedures for Identification and
Evaluation of Environmental Factors and Hazard Sources, Easpring carries out monitoring and
evaluation of occupational hazard factors, identifies various occupational hazardous factors existing
in occupational activities, and takes timely treatment measures to ensure the health and safety of
employees. During the Reporting Period, Easpring conducted regular inspections on occupational
hazards at 592 inspection points.

Occupational health and safety physical examination



 Regularly organize employees to undergo occupational health examinations, and carry out on-thejob, on-the-job and off-the-job occupational health examinations for employees in positions involving occupational disease hazards. During the reporting period, Easpring achieved 100% occupational health examination coverage rate.

Occupational Health and Safety Emergency Response Capabilities and Training

Easpring has formulated emergency response procedures and specifications such as Emergency Management Regulations, Emergency Plan for Production Safety Accidents, Emergency Plan for Hazardous Chemicals Accidents and Regulations on Reporting, Investigation and Handling of Occupational Health and Safety and Environmental Incidents, established a sound emergency plan system, defined emergency response procedures, set up an emergency rescue team with rich professional knowledge, equipped with a number of emergency rescue professionals and emergency rescue equipment and facilities, and conducted regular ability training and drills to deal with various emergencies. During the reporting period, Easpring conducted 42 safety drills, covering all employees.

Easpring has established a three-level safety training system covering all employees, continuously carries out occupational health and safety training before and during the job, and ensures that all employees and contractors have substantial occupational health and safety knowledge through assessment. In addition, Easpring will conduct occupational health knowledge publicity and activities from time to time to continuously improve employees' safety awareness. During the reporting period, Easpring conducted 544 safety trainings, covering all employees.





Red Cross First Aid Ability Training for Employees





Organize Evacuation Emergency Drills in Different Scenarios of Day Shift and Night Shift

Social Contribution

Easpring attaches great importance to building a community, pays attention to the needs of local community, pays attention to the needs of local community, pays attention to the needs of local community, and the public, actively participates in targeted assistance, and helps rural revitalization with practical actions. At the same time, it focused on vulnerable groups, carried out various forms of charity activities, built a positive and harmonious relationship between Easpring and the local community, and made positive contributions to the prosperity and development of the community.

Rural Revitalization

Easpring closely follows the pace of national strategies, makes full use of its own industrial advantages, and adopts various measures such as consumption assistance, financial donations, and on-site research to continuously consolidate and expand the effectiveness of poverty alleviation, and continuously contribute to the prosperity and rural revitalization of poverty-stricken areas. Easpring complies with the requirements of laws and regulations such as the Charity Law of the People's Republic of China and the Law of the People's Republic of China on Donations for Public Welfare Undertakings, formulates and implements the Measures for the Administration of External Donations, strengthens the management and supervision of the use of assistance funds, empowers all business segments to carry out public welfare and charity work from the system, process and resources, and ensures the solid implementation of targeted assistance responsibilities.

Targeted assistance

Since 2019, Easpring has always been concerned about rural development, actively participated in targeted assistance actions, and extended its helping hand to Pingyu County, Henan Province. As of the end of the reporting period, Easpring had donated a total of RMB 400,000 to accurately assist the implementation of a number of key local projects, help many villages in Pingyu County improve their village appearance, appearance and products, build beautiful countryside demonstration sites, and continue to make solid contributions to rural revitalization.

Poverty alleviation through consumption

Since the start of the assistance journey in 2019, Easpring has invested a total of 1.7804 million yuan in funds to purchase consumption assistance materials with the help of the "Central Enterprise Consumption Assistance" platform, closely integrating specific measures to care for employees with the overall situation of national rural revitalization, and taking practical measures to contribute to the cause of rural revitalization.

Community Services

Easpring has always focused on social needs, actively fulfilled social responsibilities, advocated all employees to carry out diverse community public welfare activities such as sending warmth, offering love and volunteer service according to local conditions, continuously deepened interaction with community residents in various places, continuously gathered love power, and worked together to create a harmonious and beautiful social environment. During the Reporting Period, 127 employees of Easpring participated in volunteer service activities, with a total of 528 hours of volunteer service.

Real Carry out activities for hearing-impaired children

Since 2019, Easpring has listed Tianyin Rehabilitation Center as a long-term targeted assistance target, and has always practiced the action of caring and helping the disabled. It has donated a total of RMB 170,000 to help the rehabilitation center lay environmentally friendly outdoor floors, purchase air conditioners, office computers, children's educational toys, parent-child classroom facilities, indoor and outdoor sensory training equipment, etc., continuously optimize the learning and living environment of the rehabilitation center, enrich the types of rehabilitation equipment, and pave the way for them to integrate into normal social life.



Activities for Hearing-impaired Children

"Learning from Lei Feng" Theme Activity for Qizhi School

In March 2024, Easpring Changzhou volunteer representatives went to Qizhi School and carefully prepared caring snack gift packages, study necessities and toiletries for the teachers and students of the school. They expressed their deepest respect for those physically disabled but brave and strong children and selfless special education teachers.



the Theme Activity of "Learning from Lei Feng" at Qizhi School

Love Without Boundaries, Carrying out Voluntary Blood Donation Activities

In August 2024, Easpring Changzhou explained corporate social responsibility with passionate actions and participated in group blood donation in Changzhou for many consecutive years. Company executives set an example, and employees responded enthusiastically, gathering the warm current of love with a trickle of blood. A total of 6,500 ml of blood was donated free of charge, interpreting "Great love has no boundaries" with practical actions, injecting positive energy into building a harmonious society.





Voluntary Blood Donation Activities

Easpring Changzhou launched the 2024 Jintan Scholarship Program

In the new era, it is particularly important to carry forward the good trend of teenagers' diligence in learning and progress, and to inspire students to aim high and forge ahead. In September 2024, Easpring Changzhou donated RMB 20,000 to the education system of Jintan District to provide practical help for students who are striving hard on the road of learning, and to help them better pursue their dreams.



Easpring Changzhou launched the 2024 Jintan Scholarship Program

Appendix I Table of ESG Key Performance Indicators for 2024

■ Table of Key Environmental Indicators¹

Metrics	Units	2023	2024
Energy usage			
Comprehensive energy consumption	tce	60,999.01	75,462.10
Gasoline	tce	33.11	154.73
Diesel oil	tce	16.22	5.83
Purchased electricity	tce	52,920	59,485.28
Steam	tce	8,029.68	8,791.20
Natural gas	tce	0.004	7,025.06
Solar energy (spontaneous self-use)	tce	171.32	959.54
Total energy consumption intensity	tce/RMB million	4.03	9.94
Clean Energy ² Total Consumption	tce	7,984.6	7,984.6
Proportion of clean energy use	%	0.28	10.58
Direct energy consumption ³	tce	49.32	7,185.61
Indirect energy consumption ⁴	tce	60,949.68	68,276.48

Metrics	Units	2023	2024
Greenhouse gas emissions			
Total Emissions (Scope 1 + Scope 2)	tCO2e	280,593.87	288,716.46
Scope 1 (direct) emissions	tCO2e	7,855.36	28,040.62
Scope 1-Stationary Source Emissions	tCO2e	-	13,834.74
Scope 1-Mobile Source Emissions	tCO2e	-	384.22
Scope 1-Industrial Process Emissions	tCO2e	-	10,180.43
Scope 1-Unorganized Fugitive Emissions	tCO2e	-	3,641.23
Scope 2 (Indirect) Emissions ⁵	tCO2e	272,738.51	260,675.84
Scope 2 (indirect) emission reductions ⁶	tCO2e	-	4,423.65
Carbon credits ⁷	tCO2e	-	31,665.12
Carbon emission intensity	tCO2e/RMB million	18.55	38.02

Description of environmental data:

¹ In 2024, Easpring collected environmental data covering all operating production sites and R&D center within the listed entity. The data of Easpring SDIG

Description of environmental data:

²Clean energy refers to the energy generated by solar power and natural gas.

³ Direct energy consumption comes from gasoline, diesel and natural gas.

⁴ Indirect energy consumption comes from purchased electricity and purchased steam

⁵Scope 2 comes from carbon emissions from purchased electricity and purchased steam, where carbon emissions from purchased electricity are calculated based on geographical location.

⁶Scope 2 emission reduction refers to energy saving and emission reduction achieved through equipment and process transformation.

⁷Carbon credits are derived from emission reductions generated from the procurement of hydropower projects certified by the Verified Carbon Standard (VCS).

Governance

Metrics	Units	2023	2024
Resource consumption			
Waterresources			
Total water withdrawal	'0000 tonnes	52.89	54.63
Municipal water withdrawal	'0000 tonnes	52.89	54.63
Total displacement	'0000 tonnes	14.44	14.45
Total water consumption	'0000 tonnes	38.45	40.18
Recycling and reuse of water	'0000 tonnes	14.76	14.93
Water intake intensity	'0000 tonnes / RMB million	0.0035	0.0072
Other Resources			
Total use of other resources	Tonnes	1,119.3	1,891.45
Production packaging	Tonnes	1,117.3	1,889.31
Office Paper	Tonnes	2.0	2.16
Recycling and usage of other resources	Tonnes	631.8	457.55
Intensity of use of other resources	Tonnes/RMB million	0.074	0.25

Metrics	Units	2023	2024
Pollutant emissions88			
Exhaust emissions			
Total exhaust emissions	Kilogram	3,583.86	12,638.33
Ammonia gas	Kilogram	272.16	3,067
Particulate matter	Kilogram	3,311.70	3,535.68
Nickel and its compounds	Kilogram	-	114.66
NO _x	Kilogram	-	1070
VOCs	Kilogram	-	661
SO ₂	Kilogram	-	4,190
Total exhaust emission intensity	Kilogram/RMB million	0.24	1.66
Solid waste generation			
Total solid waste generation	Tonnes	1,615.02	1,348.66
Hazardous waste	Tonnes	115.37	123.96
General waste	Tonnes	1,499.65	1,224.70
Total solid waste generation intensity	Tonnes/RMB million	0.11	0.18

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Description of environmental data

⁸ Pollutant discharge includes pollutants in waste gas and wastewater. Please refer to Easpring 2024 Annual Report for the approved total discharge amount and total discharge amount of wastewater pollutants.

Table of Key Social Indicators

Metrics	Units	2023	2024
Employee Management			
Total employees	Person(s)	1,721	1,798
By Gender			
Female	Person(s)	429	456
Male	Person(s)	1,292	1,342
By educational qualifications			
Ph.D	Person(s)	26	31
Master's degree	Person(s)	234	272
Bachelor's degree	Person(s)	531	589
College degree and below	Person(s)	930	906
By Age			
≤ 30 years old	Person(s)	671	692
30-50 years old	Person(s)	878	944
≥ 50 years old	Person(s)	172	162
By position level			
Senior management	Person(s)	7	8
Middle management	Person(s)	115	107
General employees	Person(s)	1,599	1,683
By geographical region			
China	Person(s)	1,717	1,795
Overseas Countries and Territories	Person(s)	4	3

Metrics	Units	2023	2024
Management			
By Gender			
Female	Person(s)	22	22
Male	Person(s)	100	93
By Age			
≤ 30 years old	Person(s)	2	2
30-50 years old	Person(s)	110	101
≥ 50 years old	Person(s)	10	12
Employee training			
Employee training coverage	%	100	100
Total employee training hours	Hour	16,953.77	10,336.01
Average number of training hours received by employees	Hour	9.85	9.43
By Gender			
Female	Hour	9.67	8.70
Male	Hour	9.91	9.64
By position level			
Management	Hour	14.62	13.35
General Employees	Hour	9.49	8.90
Annual training expenditure amount	RMB	-	1,033,565.62
Occupational health and safety			
Occupational health examination coverage	%	100	100

Metrics	Units	2023	2024
Number of safety drill activities	Times	29	42
Work-related injury insurance investment amount	RMB million	-	1.1932
Work-related injury insurance coverage	%	-	100
Suppliers			
Total Suppliers ¹	Company(ies)	132	106
Number of new suppliers	Company(ies)	24	16
Proportion of localized procurement	%	21.21	23.58
R&D Management			
R&D Investment	RMB billion	0.408	0.370
Proportion of R&D investment to business income	%	2.70	4.88
Number of R&D personnel	Person	412	430
Proportion of R&D personnel	%	23.94	23.92
Intellectual Property Protection and	Patent Application		
Cumulative number of patent applications	Piece(s)	641	834
Number of new patents	Piece(s)	147	193
Cumulative number of authorized patents	Piece(s)	280	352
Number of newly granted patents	Piece(s)	46	72

Description	of so	cial	data:
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The scope of supplier data statistics includes suppliers of main materials, packaging materials, and engineering equipment bidding and procurement

Metrics	Units	2023	2024
Product and Service		<u>'</u>	
Complaint handling rate of products and services	%	100	100
Product Recall	Piece(s)	0	0
Percentage of total shipped or shipped products recalled due to health and safety issues	%	0	0
Social welfare			
Total cumulative investment amount	RMB million	1.7249	2.5304
Number of employees engaged in voluntary activities	Person	-	127
Volunteer service hours	Hour	-	528

Table of Key Indicators of Corporate Governance Performance

Index	Units	2023	2024
Anti-corruption	•		
The proportion of directors involved in anti-corruption training	%	100	100
The proportion of employees participating in anti-corruption training	%	100	100

Appendix 2 "Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)" and GRI Index

Sustainability Reporting Guide	GRI Standards	Response Section
Chapter I General Provisi	ons	
Article 1		
Article 2		
Article 3		
Article 4	GRI 1: Foundation 2021	
Article 5	GRI 2: General Disclosure 2021	Governance
Article 6 Article 7	GRI 3: Material Issues 2021	
Article 8		
Article 9		
Article 10		
Chapter 2 Sustainable De	evelopment Information Disclosure Framework	
Article 12		
Article 13		Governance
Article 14		
Article 15	GRI 2: General Disclosure 2021	
Article 16	GRI 3: Material Issues 2021	
Article 17		
Article 18		
Article 19		

Sustainability Reporting Guide	GRI Standards	Response Section
Chapter III Environmental	Information Disclosure	
Section 1 Addressing Clim	ate Change	
Article 20 Article 21 Article 22 Article 23 Article 24 Article 25 Article 26 Article 27 Article 28	GRI 201: Economic Performance 2016 201-2 Financial impacts of climate change and other risks and opportunities GRI 302: Energy 2016 302-1 Energy consumption within an organization 302-2 Energy consumption outside the organization 302-3 Energy intensity 302-4 Reduce energy consumption 302-5Reducing energy demand for products and services GRI 305: Emissions 2016 305-1 Direct (Scope 1) Greenhouse Gas Emissions 305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions 305-3 Other indirect (Scope 3) greenhouse gas emissions 305-4 Greenhouse gas emission intensity 305-5 Greenhouse gas emission reduction 305-6 Emissions of ozone-depleting substances (ODS) 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant gas emissions	Climate Action Appendix I Table of ESG Key Performance Indicators for 2024

Sustainability Reporting Guide	GRI Standards	Response Section	
Section 2 Pollution Prevention and Ecosystem Protection			
Article 29 Article 30 Article 31 Article 32 Article 33	2-27 Compliance with laws and regulations GRI 303: Water Resources and Wastewater 2018 GRI 304: Biodiversity 2016 304-1 Operating sites owned, leased, and managed by the		
	organization in or adjacent to protected areas and biodiversity-rich areas outside protected areas 304-2 Significant impacts of activities, products and services on biodiversity 304-3 Protected or restored habitat	Environmental Protection Appendix I Table of ESG Key	
	304-4 has been listed in habitats in areas affected by operations Species of IUCN Red List and National Conservation List GRI 305: Emissions 2016 GRI 306: Waste 2020 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste entering disposal	Performance Indicators for 2024	
Section 3 Resource Utiliza	ation and Circular Economy		
Article 34 Article 35 Article 36	GRI 301: Materials 2016 301-1 Weight or volume of material used 301-2 Recycled materials used 301-3 Recycled products and their packaging materials GRI 302: Energy 2016 302-1 Energy consumption within the organization 302-2 Energy consumption outside the organization 302-3 Energy intensity 302-4 Reduce energy consumption GRI 303: Water Resources and Wastewater 2018 303-1 Relationship between organization and water as a shared resource Interaction 303-2 Managing drainage-related impacts 303-3 Water intake 303-4 Drainage 303-5 Waste consumption GRI 306: Waste 2020 306-1 Waste generation and material impacts related to waste	Environmental Protection Value Chain Management Appendix I Table of ESG Key Performance Indicators for 2024	

Sustainability Reporting Guide	GRI Standards	Response Section
Chapter IV Social Info	rmation Disclosure	
Section 1 Rural Revita	lization and Social Contribution	
Article 38 Article 39 Article 40	GRI 203: Indirect economic impacts 2016 203-1 Infrastructure investment and supporting services	Employee and Community Care Appendix I Table of ESG Key Performance Indicators for 2024
Section 2 Innovation I	Drive and Technology Ethics	
Article 41 Article 42 Article 43	Not involved	Quality, Innovation and Development Appendix I Table of ESG Key Performance Indicators for 2024 Science and technology ethics is not applicable, and the disclosure subject does not engage in scientific research, technological development and other activities in ethically sensitive fields such as life science and artificial intelligence
Section 3 Suppliers ar	nd clients	
Article 44 Article 45 Article 46	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016 308-1 New suppliers screened using the environmental assessment dimension 308-2 Negative Environmental Impacts of Supply Chains and Actions taken GRI 414: Supplier Social Assessment (2016) 414-1 New suppliers screened using social evaluation dimensions 414-2 Negative Social Impact of Supply Chain and Actions Taken	Value Chain Management During the reporting period, Easpring did not have a balance of accounts payable (including bills payable) exceeding 30 billion yuan or accounting for more than 50% of total assets. For details of accounts payable, please refer to the Easpring 2024 annual report.
Article 47	GRI 416: client Health and Safety 2016 416-1 Assessment of Health and Safety Impacts on Product and Service Categories 416-2 Violations Involving Health and Safety Implications of Products and Services GRI 417: Marketing and Logos 2016 417-1 Requirements for product and service information and identification 417-2 Violations Involving Product and Service Information and Identification	Value Chain Management
Article 48	GRI 418: client privacy 2016 418-1 Verified complaints involving invasion of client privacy and loss of client information	Governance

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Sustainability Reporting Guide	GRI Standards	Response Section
Section 4 Employees		
	GRI 401: Hiring 2016	
	401-1 New Employee Hiring Rate and Employee Turnover	
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	
	401-3 Parental leave	
	GRI 403: Occupational health and safety 2018	
	403-3 Occupational health services	
	403-5 Occupational health and safety training for workers 403-6 Promoting worker health	
	403-9 Work injury	
	403-10 Work-Related Health Problems	
Article 49	GRI 404: Training and Education 2016	Employee and Community Care
Article 50	404-1 Average number of training hours per employee per year	Appendix I Table of ESG Key Performance Indicators for 2024
	404-2 Employee Skills Upgrading Programs and Transition Assistance Programs	
	404-3 Percentage of employees who receive regular performance and career development reviews	
	GRI 405: Diversity and Equal Opportunities 2016	
	405-1 Diversity of Governance and Staff	
	405-2 Ratio of basic salary and remuneration for men and women	
	GRI 406: Anti-discrimination 2016	
	406-1 Incidents of discrimination and corrective actions taken	

Sustainability Reporting Guide	GRI Standards	Response Section
Chapter V Disclosure of	f Governance Information Related to Sustainable Developme	nt
Section 1 Sustainable [Development Related Governance Mechanisms	
Article 51 Article 52 Article 53	GRI 2: General Disclosure 2021 2-29 Methods of stakeholder engagement GRI 3: Material Issues 2021 3-1 Process of identifying substantive issues	Governance
Section 2 Commercial (Conduct	
Article 54 Article 55 Article 56	GRI 205: Anti-Corruption 2016 205-1 Operating points where corruption risk assessment has been performed 205-2 Communication and training of anti-corruption policies and procedures 205-3 Confirmed cases of corruption and actions taken GRI 206: Anti-Competitive Conduct 2016 206-1 Legal proceedings against anticompetitive conduct, antitrust, and antitrust practices	Governance Appendix I Table of ESG Key Performance Indicators for 2024
Chapter VI Supplement	tary Provisions and Interpretation	
Article 57 Article 58 Article 59 Article 60 Article 61 Article 62	GRI 1: Foundation 2021	This report has been prepared in strict accordance with the Sustainability Reporting Guidelines, including indicator indexes, etc.

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Appendix 3 Description for Proper Nouns' Abbreviation

Abbreviation	Full Name
SAP	System Applications and Products
MES	Manufacturing Execution System
SBTi	Science Based Target Initiative
PCT	Patent Cooperation Treaty
LIMS	Laboratory Information Management System
PLM	Product Lifecycle Management
SRM	Supplier Relationship Management
CRM	Client Relationship Management
DCS	Distributed Control System
Al	Artificial Intelligence
ВАТСН	Batch Processing
WMS	Warehouse Management System
WCS	Warehouse Control System
AGV	Automated Guided Vehicle
IATF	International Automotive Task Force
PDCA	PDCA circular (Plan, Do, Check and Act)

Abbreviation	Full Name
EHS	Environment、Health and Safety Management System
RTO	Regenerative Thermal Oxidizer
VOCs	Volatile Organic Compounds
RoHS	Restriction of Hazardous Substances
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
PBBs	Polybrominated biphenyls
PBDEs	Polybrominated diphenyl ethers
OECD	Organization for Economic Co-operation and Development
RCI	Responsible Critical Mineral Initiative
СССМС	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
CAHRA	Conflict Affected and High Risk Areas
CIBF	China International Battery Fair

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Assurance Statement



Sustainability Report Assurance Statement

To: stakeholders of Beijing Easpring Material Technology., Ltd.

China Quality Certification Centre Co., Ltd. (CQC), commissioned by Beijing Easpring Material Technology., Ltd. (hereinafter referred to as Easpring), conducted independent verification on 2024 Sustainability Report of Beijing Easpring Material Technology., Ltd. (hereinafter referred to as the Sustainability Report).

Easpring was responsible for collecting, summarizing, analyzing, and disclosing the information and data mentioned in the Sustainability Report. CQC implemented report verification within the scope specified in the agreement with Easpring. Easpring is the designated user of this statement.

This statement was based on the assurance activities conducted on the Sustainability Report prepared by Easpring in accordance with Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 17- Sustainable Development Report (Trial) and Shenzhen Stock Exchange Self-regulatory Guidelines for GEM Listed Companies No. 3- Sustainable Development Report, and with reference to GRI 2021 Standards, UN SDGs and material issues considered by mainstream domestic and international ESG rating agencies, and Easpring was responsible for the completeness and authenticity of the information and data in the Sustainability Report.

Scope of Assurance

The following data and information disclosed in the Sustainability Report of Easpring:

- Financial performance
- Market performance
- Social performance
- · Environmental performance
- Governance performance

Basis for Assurance

AA1000 V3, Type 2, Moderate Assurance

Assurance Methods

The methods used in this assurance include but are not limited to::

- a) Report review;
- b) Interviews:
- c) Verification of documents, records, certificates, bills, and other materials;
- d) Field verification:
- e) Trusted information source verification;
- f) Verification against disclosure basis:
- g) Recalculation/estimation;
- h) Confirmation of statistical, calculation/estimation processes.

Assurance Conclusions

The Sustainability Report reflects the performance of Easpring in environmental, social, and corporate governance in 2024. The information disclosed is true and reliable, and with availability, timeliness and relevance well maintained, which basically meets the requirements of AA1000 V3 as follows:

Inclusivity: Easpring has identified both internal and external stakeholders, including government and regulatory agencies, customers, employees, shareholders and investors, suppliers, directors and executives, employees, community, media and NGOs. In the report preparation process, the expectations and needs of stakeholders have been considered.

Materiality: Based on the principle of impact materiality and financial materiality, Easpring has identified and prioritized their sustainability issues, integrating the management of various issues into the company's daily operations. The overall content of the Sustainability Report meets the requirements of the materiality principle.

Responsiveness: Easpring has established a governance structure, management system and processes, as well as a communication mechanism with stakeholders, capable of taking action to respond to the demands of various stakeholders.

Impact: Through quantitative, qualitative, or a combination of both, Easpring has disclosed the main impacts on stakeholders in terms of environment, society, and governance. Recommendations

Based on the assurance findings, it is recommended that:

■Easpring strengthen sustainability performance monitoring, dynamically evaluate and adjust sustainability performance, and ensure the achievement and continuous improvement of sustainability goals.

Limitation

- ■This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the Sustainability Report, not fully tracing or independently recalculating all raw data of Easpring.
- This assurance only covered interviews and document review with Easpring, and did not directly interview external stakeholders (such as suppliers, customers, etc.), nor did it contain independent verification of the information provided by external stakeholders of Easpring.
- The data and information audited/verified by a third party in the Sustainability Report were not subject to repeated verification during this assurance process.
- Some of the data and information in the Sustainability Report cannot be compared and verified through independent sources. This assurance only evaluated their reasonableness.
- ■Activities outside the scope of information disclosure were not included in this assurance;
- The statement regarding the position, viewpoints, beliefs, goals, future development directions, and commitments of Easpring were not included in this assurance.

Statement on Independence and Verification Capability

Affiliated with China Certification & Inspection Group (CCIC), CQC is a third-party professional certification body approved by the Chinese government and recognized by multiple foreign governments and international authoritative organizations. CQC can provide various management systems certification, product safety and performance certification, energy conservation and environmental certification, green and low-carbon technical services, management improvement, personnel training, and other related technical services, as well as independent verification services for social responsibility reports, sustainable development reports, and sustainability reports.

As an independent certification body, CQC ensured that there were no conflicts of interest with Easpring and its stakeholders during the assurance process of the Sustainability Report. All information in the Sustainability Report was provided by Easpring. CQC and the personnel conducting this assurance of the Sustainability Report were not involved in the preparation process of the Sustainability Report.



President of CQC: 谢肇鹏 March 13, 2025 Beijing, China

Note: In case of any inconsistency or discrepancy, the Chinese version of this assurance statement shall prevail, while the English translation is used for reference only.