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Address of the Chairman of the Board

Distinguished stakeholders,

Amid the global momentum toward sustainability, the concept has evolved from a shared vision into collective action. Enterprises now shoulder the responsibility of driving sustainable prosperity by striking a balance between economic growth, social advancement, and environmental protection. Canmax deeply understands and actively upholds this principle, integrating the Environmental, Social and Governance (ESG) concept into its strategic decision-making and long-term development roadmap.

Embracing the shift toward green development, Canmax actively pursues transformation. Leveraging technological innovation and expanded production capabilities, we continuously optimize our products and services while cultivating industry-leading innovation capacity. In addition to achieving notable success in the lithium-ion battery business, we have also made significant progress in the ultra-clean ESD and medical business segments. In terms of ultra-clean ESD business, we remain at the forefront of ultra-clean ESD technology, providing crucial momentum for the green development of industries such as electronic information and new energy. In terms of medical business, Yeso-med specializes in the R&D and production of disposable sterile medical devices, continuously enhancing product performance and safety level, and effectively supporting the safe and efficient operation of the global public health system.

Canmax is firmly committed to environmental responsibility and green development. We are working to reduce carbon emissions throughout our entire value chain by implementing energy-saving initiatives, improving energy efficiency, and cutting greenhouse gas emissions. Simultaneously, we strengthen waste management, promote resource recycling, and minimize environmental impact. These efforts have helped us maximize environmental performance in our production and operation processes, contributing meaningfully to global sustainability.

Canmax follows a people-oriented approach to social responsibility. We respect and protect employee rights, maintain a healthy and safe working workplace, and foster an inclusive and positive corporate culture. Additionally, we actively engage in community development, support educational and public welfare initiatives, and advocate for sustainability practices throughout the value chain-striving to share the benefits of social civilization progress.

In corporate governance, we strictly adhere to domestic and international laws, regulations, and standards, We meticulously refine internal management systems, strengthen risk control mechanisms, and enhance information transparency. We ensure that decision-making processes are scientific, rigorous, and impartial. By establishing and improving modern corporate governance systems, we strive to maximize value creation and safeguard the legitimate rights and interests of all stakeholders.

In recognition of our strong ESG performance over the past year, Canmax was honored with the highest AAA rating in the CNI ESG rating system and received the top A rating from the Shenzhen Stock Exchange for the second consecutive year. Looking ahead, Canmax will continue to advance ESG integration, enhance green competitiveness through innovation, proactively fulfill our social responsibilities, and steadily progress toward a new stage of shared economic, social, and environmental value. Together with our partners, we are committed to building a new chapter of sustainable development.

Zhenhua Pei Chairman of the Board



Excellence Through

About the Report

This is the second Environmental, Social and Governance (ESG) Report of Canmax Technologies Co., Ltd. (hereinafter referred to as "Canmax" or "the Company"). It aims to communicate to stakeholders the Company's ESG philosophy, its governance structure, actions taken, and outcomes achieved in relation to sustainable development.

Scope of Report

The information disclosed in this Report covers Canmax Technologies Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group"). The subsidiaries covered by various divisions as mentioned in this Report are listed in the table below. For subsidiaries that have not been disclosed in this Report by now, the Company will evaluate and include them in the scope of disclosure of the report, as appropriate.

Name of the Included Companies	Short Name of the Included Companies	Business Unit
Tyeeli (Yibin) Co., Ltd.	Tyeeli (Yibin)	
Tyeeli (Meishan) Co., Ltd.	Tyeeli (Meishan)	Lithium-ion Battery Division
Tyeeli (Fengxin) New Energy Materials Co., Ltd.	Tyeeli (Fengxin)	
Canmax Ultra Clean Technology Co, Ltd.	Canmax Ultra Clean	
Wuxi TA&A Ultra Clean Technology Co., Ltd.	Wuxi TA&A	
Suzhou Stone Electronic Technology Co., Ltd.	Stone Tech	Ultra-Clean ESD Division
Zhenjiang Zhonglei New Material Technology Co., Ltd.	Zhenjiang Zhonglei	Ottra-Clear ESD Division
Suzhou Industrial Park Tianbao Shoes Industry Co., Ltd.	Tianbao Shoes Industry	
Suzhou Keyi Purifying Technology Co., Ltd.	Keyi Purifying	
Wuxi Yeso Medical Appliances Co., Ltd.	Yeso-med	
Yeso Health Technology (Wuxi) Co., Ltd.	Yeso Health	Madical Division
Yeso Medical Technology (Wuxi) Co., Ltd.	Yeso Technology	Medical Division
Yeso Imaging Technology (Wuxi) Co., Ltd.	Yeso Imaging	

Report Period

This is an annual report covering the period from January 1, 2024 to December 31, 2024. Any content or data beyond this reporting period is clearly indicated in the relevant sections.

Reporting Basis

This Report is prepared in accordance with the Self-Regulation Guidelines No. 17 on Sustainability Reporting (Trial) issued by the Shenzhen Stock Exchange. Other references include the GRI Standards developed by the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (SDGs), as well as the issues covered by the MSCI ESG ratings and the S&P DJSI Corporate Sustainability Assessment (CSA).

Reporting Process

This Report follows a standardized preparation process: "standard research, data collection, content drafting, internal review, external verification, Board deliberation, and public disclosure."

Reporting Principles

Sustainability Context

The Company identifies operation-related material issues that are of the concern to various stakeholders as the focus of this Report. While reporting such material issues, this Report also addresses the characteristics of the industries and regions in which the Company operates. For the details of process and results of the analysis of material issues, please see the section of "Identification of Material issues" in this report.

Accuracy

The reported information is as accurate as possible. Data specifics, basis of calculations and assumptions are given to the measurements of quantitative information in order to ensure that calculation errors won't mislead the users of the information. For quantitative information and annotated information, see the "ESG Datasheet and Notes" section of this Report for details.

Balance

This Report presents objective, truthful facts and provides an unbiased disclosure of the Company's negative and positive information. No violations of laws and regulations that should have been disclosed but were not disclosed were found during the reporting period.

Clarity

This Report is issued in both simplified Chinese and English. Wherever there is a possible inconsistency between the Chinese and English texts, the Chinese text shall prevail. This Report incorporates tables and diagrams as auxiliary information for the text. To grant stakeholders a faster access to relevant information, this Report provides a table of contents and a cross-reference index to related ESG standards.

Quantification

This Report discloses the quantitative key performance indicators for the reporting period and, to the extent possible, the corresponding historical data.

Comparability

This Report maintains consistency in the statistical and disclosure methods of the same indicator across different reporting periods. If there is a change in the statistical method, it will be fully explained in the notes to the Report to facilitate meaningful analysis and assessment by relevant parties.

Completeness

Unless otherwise specified, the information disclosed in this Report covers Canmax Technologies Co., Ltd. and its subsidiaries in the consolidated financial statements.

Timeliness

This is an annual report which is intended to provide timely reference information for the decision-making by stakeholders.

Verifiability

This Report discloses quantitative data whose sources and calculation process are both traceable and can be used to support external verification.

Note for Data

The textual information and quantitative data disclosed in the Report is based on original records and financial reports generated from the Company's actual operation. In case of any discrepancies between relevant financial data and those in the Company's annual report, the latter shall prevail.

All financial data in this Report are presented in RMB.

Report Access

This Report is published electronically and is available on the designated information disclosure platform of the stock exchange and on the Company's official website (http://www.canmax.com.cn).

Contact

ESG and Sustainable Development Office of Canmax

Address: No. 99, Shuangma Street, Suzhou Industrial Park, Jiangsu Province

Email: ESG@canmax.com.cn

1 About Canmax

Business Scope
Vision and Values
Honors and Awards in 2024



Business Scope

Canmax Technologies Co., Ltd. was founded in 1997 and listed on the Shenzhen Stock Exchange in 2014. In 2023, it was recognized as one of the Top 500 Chinese Private Manufacturing Enterprises. With nearly three decades of accumulated expertise, the Company has steadily expanded its presence in fields such as ESD control & cleanroom contamination control, medical devices, and new energy. Today, it has grown into an innovation-driven and diversified industrial group, committed to building a green and pure future.

Company name: Canmax Technologies Co., Ltd.

Founded in: 1997

Stock code: 300390.SZ (ChiNext Board of Shenzhen Stock Exchange)

Headquarters address: No. 99, Shuangma Street, Suzhou Industrial Park, Jiangsu Province, P.R. China





Lithium-ion Battery Materials

The Company has established a worldwide business presence, specializing in the research and development (R&D) and production of lithium-ion battery materials. Its main products include battery-grade lithium hydroxide and lithium carbonate, which are widely used in new energy vehicles, low-altitude aviation, energy storage, and other fields, earning strong recognition from domestic and international customers. Leveraging years of technological and managerial expertise in the lithium salt industry, the Company has comprehensively optimized and upgraded its ore-based lithium extraction processes, with a strong focus on enhancing environmental performance, operational safety, resource efficiency, and product quality stability. Its production processes are streamlined and highly efficient, featuring advanced levels of automation and safety control significantly enhancing lithium recovery rates and energy efficiency.



Battery-grade Lithium Carbonate



Battery-grade Lithium Hydroxide Monohydrate (crystalized)



Battery-grade Lithium Hydroxide Monohydrate (micronized)

Ultra-clean ESD Technology

As a leading Chinese integrated supplier of ESD & cleanroom contamination control, the Company provides one-stop comprehensive services for high-end manufacturing sectors such as semiconductors, advanced displays, hard disk storage, and biopharmaceuticals. It has established a comprehensive support system and leading integrated supply capabilities. The Company has made continuous progress in overall solution design, product integration, and rapid-response service capabilities. It provides customers with customized integrated ESD & cleanroom contamination control solutions to meet the diverse and complex market demands, helping industrial customers improve product reliability and yield rates.



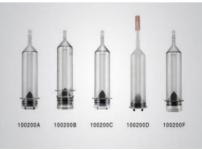
ESD & cleanroom contamination control solutions

Medical Devices

In the medical devices segment, Yeso-med is expanding its market through proprietary technologies and brands. It has established long-term strategic partnerships with domestic and international health authorities, disease control centers, major hospitals, and leading distributors, consolidating its leading position in the fields of CT contrast injection devices and innovative disposable medical devices such as auto-disable, safety, and high-pressure syringes. As one of the first manufacturers of disposable sterile medical devices in China with independent intellectual property rights and certification from the World Health Organization (WHO), the Company has seen several products pass the EU CE certification, WHO PQS certification, and U.S. FDA 510K certification, which enhances its brand influence and global market competitiveness.



Disposable Syringes



High-Pressure Syringes



CT Contrast Injection Devices

¹CE Certification: It refers to a certification of products and quality management systems by the European Union. Products that have passed the certification can be affixed with the CE (Conformité Européenne) logo, indicating compliance with a series of EU directives for safety, health, environmental protection, and consumer protection. They can freely circulate in the EU single market. For products that require the CE logo to be affixed, they will not be allowed into the EU market for sale if they do not have the CE logo.

²PQS Certification: Since 1979, the World Health Organization (WHO) has cooperated with UNICEF's Procurement Department to develop a series of performance specifications and testing procedures for injectable medical devices, cold chain equipment and other immunization-related products. Products that meet these performance specifications and testing procedures and pass the certification are issued PQS certification certificates by WHO and UNICEF.

³ FDA 510K: A pre-listing notification procedure of the U.S. Food and Drug Administration (FDA) for medical devices

Milestones in the Decade Since Canmax's Listing

2014

The Company was success-

bol:300390);

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fully listed on the Shenzhen

Stock Exchange (Stock Sym-

2018

▶ The Company expanded into new energy lithium battery materials sector, and established Tyeeli (Yibin) Co., Ltd. 2020

- ▶ Canmax Ultra Clean was approved as a Jiangsu provincial enterprise technology center;
- ▶ Tyeeli (Yibin) Phase I battery-grade lithium hydroxide project with an annual capacity of 20,000 tons was put into production upon completion of construction.

2022

- ▶ Tyeeli (Fengxin) Co., Ltd. was established;
- ▶ Yeso-med was recognized as a national "Specialized, Refined, Differential, and Innovative" little giant enterprise.

2024

- ▶ Canmax led the establishment of Suzhou Lithium-ion Battery Key Materials Innovation Consortium;
- ▶ Canmax established a joint laboratory together with Tianmu Lake Institute of Advanced Energy Storage Technologies and Tianjin University;
- ▶ Canmax jointly established the Provincial Innovation Center for High Performance Membranes and Membrane Materials;
- ▶ Canmax established a Jiangsu Postdoctoral Innovation Practice Base;
- ▶ Yeso-med and Zhejiang University jointly established a plasma joint research center.

2015

▶ The Company entered the medical sector and acquired Wuxi Yeso Medical Appliances Co., Ltd. ("Yeso-med")

2019

▶ Canmax Ultra Clean became a designated partner of the ESDA in the United States.

2021

- ▶ Tyeeli (Yibin) Phase II battery-grade lithium hydroxide project with an annual capacity of 25,000 tons commenced construction and officially entered production;
- ▶ Tyeeli (Meishan) Co., Ltd. was established;
- ▶ Yeso-med was honored as a "Jiangsu Provincial Intelligent Manufacturing Demonstration Workshop".

2023

- ▶ Canmax was listed among the Top 500 Chinese Private Manufacturing Enterprises;
- ▶ Tyeeli (Yibin) ranked 21st among Top 100 Private Enterprises in Sichuan Province;
- ▶ The phase III battery-grade lithium hydroxide project of Tyeeli (Yibin), with an annual capacity of 25,000 tons completed;
- ▶ The battery-grade lithium hydroxide project of Tyeeli (Meishan), with an annual capacity of 60,000 tons, was completed and put into production;
- ▶ The phase I of Tyeeli (Fengxin). project (30,000 tons, part of a total planned capacity of 100,000 tons) was successfully ignited;
- ▶ Canmax Ultra Clean passed the "Product Qualification Laboratory Certification" of ESDA.

Vision and Values

Canmax is committed to becoming an internationally leading, innovative technology enterprise in the new energy sector. To mark the 10th anniversary of its listing, the Company has upgraded its core values, defining "customer-oriented, excellence, innovation, integrity, ethical, and win-win" as the essence of its corporate spirit.

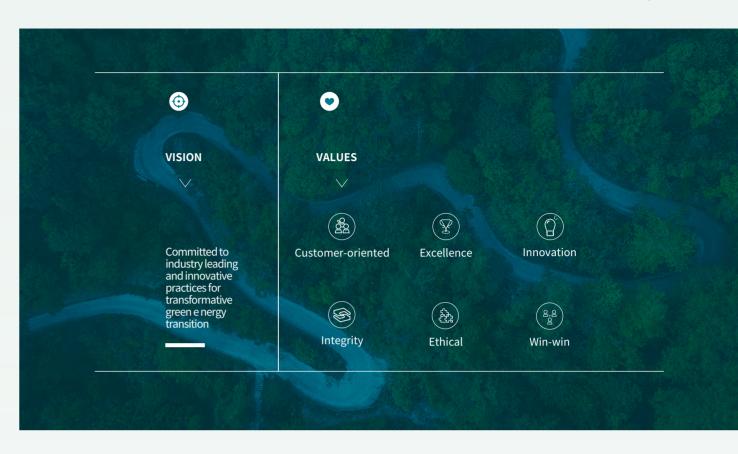
On April 28, 2024, the Company held a conference to promote its core values among employees, align thinking, and build consensus. The core values have been embedded in the Company's management system and code of conduct, serving as a cornerstone for corporate culture development and fueling high-quality, sustainable growth.



Since its establishment in 1997, the Company has evolved from its origins in the ESD control & cleanroom contamination control industry into a recognized leader in this field, and successfully diversified into the medical device sector. It subsequently made a strategic entry into the new energy sector and has continued to advance its diversified development strategy. Over the past 27 years, we have upheld a a spirit of vitality and resilience, driving continuous innovation and growth, and reaching new heights in its journey of transformation.

In response to the new challenges brought by strategic transformation and organizational change, Canmax has drawn on past experience and current practices, extensively solicited opinions, harnessed collective wisdom, systematically refined core values—transforming them into the code of conduct embraced by all employees. In 2024, Canmax officially launched the core values promotion initiative, using culture to drive development, and fully implementing these values into institutional building, process optimization, and other key aspects of corporate management.

Upholding these values, we will pool our wisdom and strength, seize opportunities amid change, face difficulties head-on, stay united, and propel the Company forward in an increasingly competitive landscape, so as to build a more sustainable and promising future.



Honors and Awards in 2024



ESG Model Enterprise Award 2024



Top 500 Chinese Private Manufacturing Enterprises



Sichuan Top 100 Private Enterprises 2024



Sichuan Top 100 Manufacturing Private Enterprises 2024



Supplier Excellent Quality Award



(Presented by CATL) (Presented by RiseSun MGL)

EHS Excellence Award



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The Company actively sup-

ports China's rural revitaliza-

tion strategy by assisting dis-

advantaged groups, promot-

ing employment, sourcing

local agricultural products,

and contributing to the im-

provement of economic and

social welfare in impover-

ished regions, thereby help-

ing to eliminate poverty.

Sustainability Strategy

Canmax is committed to sustainable development and strives to realize its sustainable development goals. The Company integrates the concept of sustainable development into its corporate culture as well as daily operations, with robust ESG management serving as the path toward sustainable development.



Customer-Oriented, Product-Focused

We are committed to meeting customer needs through superior quality and service, enhancing customer loyalty, strengthening market competitiveness, and driving the Company's steady growth.



Excellence Through Talent Empowerment

We prioritize talent by cultivating and attracting high-caliber professionals, fostering teamwork, and driving continuous innovation and high-quality growth.



Innovation-Driven, Digitally Empowered

We continuously apply digital and intelligent technologies to enhance the Company's core competitiveness and drive efficient operations and sustainable development.



Integrity as the Foundation, Compliance for the Long Run

We uphold integrity and compliance as fundamental principles to ensure the sound operations, maintain a good market reputation, and propel long-term, stable value creation.



Acting Ethically to Drive Green Progress

We embrace the concept of green development by advancing energy conservation and emission reduction, continuously improving resource efficiency, minimizing environment impact, and promoting harmony between business and nature.



Win-Win Development with Strategic Partners

We build a collaborative industrial ecosystem with our partners to achieve resource sharing and complementary strengths, jointly promote the sustainable development across the value chain, and tackle industry challenges together.

Based on the characteristics of our business and industry, the Company has identified 10 United Nations Sustainable Development Goals (SDGs) as key priorities, and is advancing its sustainability agenda through targeted action plans and innovation strategies.

The Company establishes a compliance and risk management system, implements anti-bribery and anti-corruption policies, strengthens business ethics training. These efforts enhance governance and transparency, and foster a fair and ethical business environment;

The Company strictly prohibits child labor and forced labor. It puts in place the screening mechanism and management system to protect workers' rights and uphold its social responsibility and ethical standards.

The Company conducts occupational health examinations and safety training; By implementing stringent chemical management comprehensive process controls, and optimized testing methods, we aim to reduce hazardous substance emissions, effectively mitigate health risks, and safeguard employee health and safety.

SDGs

The Company pays attention to talent development by addressing employees' capability enhancement needs at all stages of their careers. A diversified training system has been designed and implemented, covering general skills, professional expertise and leadership development to help employees acquire the competencies required for their roles.

The Company implements water management practices, including process optimization wastewater reuse, etc. Water use targets are set to improve utilization efficiency and reduce fresh water consumption.

The Company establishs an energy management system aimed at improving equipment efficiency, introducing energy-saving equipment, conducting R&D on energy-saving processes, promoting digital energy management, and expanding the use of renewable energy, thereby optimizing energy utilization efficiency and reduce greenhouse gas emissions.

The Company has established a climate change governance system to identify, assess, and integrate significant climate-related risks and opportunities. It implements scientific energy strategies to achieve low-carbon development, enhance climate resilience, and support global climate action.

The Company optimizes energy and water management, implements energy-saving and emission reduction measures, and improves resource efficiency to ensure the sustainable and efficient use of natural resources;

The Company adopts a strict waste management system and advanced technologies to ensure that waste is effectively managed and treated in compliant regulations, aiming to minimize environmental impact;

The Company focuses on process optimization, recycling and digital management to reduce waste generation. It also promotes recovery and reuse to reduce the total volume of waste.

The Company has established a group research institute dedicated to the R&D of high-performance materials and core technologies. It promotes industry-university-research collaboration by jointly developing new products with universities and scientific research institutions The Company actively participates in the formulation of industry standards, enhancing its technological innovation capabilities in core fields in alignment with market demands and technology trends

The Company fosters an equal and inclusive workplace by ensuring fair opportunities and treatment for all employees, supported by a rigorous recruitment process and a well-established promotion mechanism;

The Company promotes employment through diversified recruitment channels and university-enterprise cooperation. It also provides employees with career development opportunities to support their professional growth;

The Company establishes a safety production management system to ensure a safe working environment and to protect the rights and health.

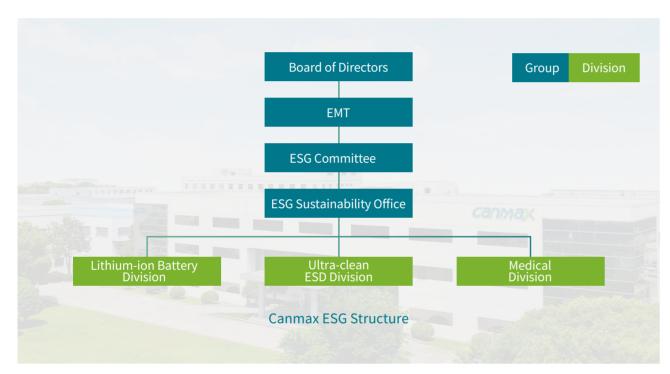
Excellence Through

Sustainability Governance

Canmax has established a top-down ESG governance structure to systematically plan and oversee its ESG strategies and ensure the effective implementation of sustainability governance.

The Company has established an ESG Committee composed of directors and senior executives with strong professional backgrounds. The committee is responsible for formulating ESG strategic policies, establishing management regulations and standards, and identifying and assessing various ESG risks. The Chairman of the Board serves as the Chair of the ESG committee, and the President, who is also a board member, serves as its Convener.

The committee is responsible to the Company's Executive Management Team (EMT), to which it reports directly and by which it is overseen. It ensures the ongoing advancement of the Company's sustainability initiatives and for facilitating the steady enhancement of long-term value creation.



During the reporting period, the Company actively promoted the establishment of an ESG coordination mechanism across all divisions. Each division designated a person responsible for ESG matters and a liaison to ensure that the ESG strategy was effectively communicated from senior management to each division and embedded in daily operations.

Identification of Material Issues

During the reporting period, the Company carried out a double materiality assessment. In the process, the Company invited external experts to participate. Taking into account the Company's background, the Company carried out preliminary identification and screening of relevant issues through standard alignment, policy analysis and peer benchmarking, etc. The Company systematically assessed and scored the issues based on two dimensions: impact materiality and financial materiality. Impact materiality is assessed through factors including the likelihood of impact occurrence, impact scale, impact scope and impact irreversibility, and financial materiality is assessed through factors including the likelihood of impact occurrence and the degree of financial impact.

Finally, the Company examined and approved the materiality analysis results of the issues. The results were submitted to the Board of Directors for review. This Report discloses the methodology, process and results of the materiality analysis of the issues.

Canmax's Process for the Double Materiality Analysis of Issues for 2024

STEP 1

Background Recognition

- The Company analyzed internal activities and business relationships, including the sustainability-related impacts across the value chain;
- The Company gained a understanding of the external objective environment, including the macro policies, regulatory requirements and industry hot topics in 2024, and identified their potential impacts on the Company:
- The Company sorted and classified the main stakeholders affected, covering both internal and external stakeholders.

STEP 2

Preliminary Identification of Issues • Taking into account policy requirements, standard alignment and peer benchmarking, the Company initially identified and screened the sustainability issues related to the Company. A total of 33 key issues were identified and initially defined.

STEP 3

Due Diligence on Issues

• On the basis of initial identification, the Company assessed the impacts, risks and opportunities associated with each issue, and reviewed and improved risk prevention or mitigation measures.

STEP 4

Materiality Assessment of Issues

- Impact materiality assessment: The Company conducted a questionnaire survey among core stakeholders (including employees, shareholders, customers, and suppliers) to solicit their opinions. Then, it combined the survey results and expert opinions, and formed the assessment results of impact materiality for each issue.
- Financial materiality assessment: The Company's internal management team assessed the financial materiality of each issue from two dimensions of the "likelihood of impact occurrence" and the "degree of financial impact" respectively for the short, medium and long terms. Then, it combined the opinions of internal and external experts, and formed the results of financial materiality assessment for each issue.

STEP 5

Confirmation and Approval of Issues

- The Company set the materiality threshold criteria based on its management foundation;
- Based on the double materiality assessment results of all issues, the Company formed a list and matrix of material issues, and defined the boundaries of the material issues;
- The Company disclosed the material issues in its annual ESG report.



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About Sustainability Annual Customer-Oriented Excellence Through Management Themes Product-Focused Talent Empowerment

After the preliminary identification of issues, the Company updated the list for 2024, with the changes from the previous year shown in the table below:

2024 Issues	2023 Issues	Explanation of Adjustment	
Newly Added Issues			
Circular Economy		It is an issue of high materiality within the industry, and it is also a focus of the <i>Guidelines</i> of SZSE.	
Clean Technology-Related Opportunity		It is an issue of moderate materiality within the industry, and it is also a focus of attention for rating agencies.	
Responsible Marketing		It is an issue of moderate materiality within the industry, and is also a focus of attention for rating agencies.	
Technology Ethics	·	It is an issue of moderate materiality within the industry, and is also a focus of attention for rating agencies.	
Equal Treatment of Small and Medium Enterprises	/	It is a focus of the <i>Guidelines</i> of SZSE.	
Rural Revitalization		It is an issue of moderate materiality within the industry, and it is also a focus of the <i>Guidelines</i> of SZSE.	
Anti-Unfair Competition		It is an issue of moderate materiality within the industry, and it is also a focus of the <i>Guidelines</i> of SZSE.	
Communication with Stakeholders		It is an issue of moderate materiality within the industry, and is also a focus of the <i>Guidelines</i> of SZSE.	
Due Diligence		It is a focus of the <i>Guidelines</i> of SZSE.	
Adjusted Issues			
Ecosystem and Biodiversity Protection	Biodiversity Protection		
Energy Use	Low-Carbon Production and Operation		
Water Use	Resource Management	We adjusted issue descriptions, to better align with th descriptions in the <i>Guidelines of SZSE</i> or the descriptions brating agencies.	
Product Safety and Quality	Product Quality and Safety		
Chemicals Safety	Chemicals Management		
Innovation-Driven Development	R&D and Innovation	ruting agencies.	
Customer Service Management	Customer Relations Management		
Data Security and Privacy Protection	Information Security and Privacy Protection		
Anti-Bribery and Anti-Corruption	Business Ethics		
Employment and Employee Rights	Employees' Rights, Interests and Benefits		
Pollutant Emissions	Management of Emissions and Wastes	We split the issue into two separate ones, to align with the	
Waste Disposal	Emissions and wastes	descriptions in the <i>Guidelines of SZSE</i> .	
Supply Chain Security	Supply Chain Quality Management Responsible Supply Chain Management	We combined the issues, and expanded the definition of supply chain security, to align with the descriptions in the <i>Guidelines of SZSE</i> .	
Social Contribution	Community Communication and Development Public Charity	We combined the issues, and expanded the definition of socia contribution, to align with the descriptions in the <i>Guidelines of SZSE</i> .	
Deleted Issues			
1	Economic Performance	We deleted the issue, as the content related to economic per- formance is embodied in the "ESG Datasheet and Notes."	

The identification results of material issues for 2024 are shown in the matrix below. There are 11 issues that are financially material to the Company. Among them, 10 issues are of both financial materiality and impact materiality. In

Win-Win Development

with Strategic Partners

2024 Environmental, Social

and Governance Report

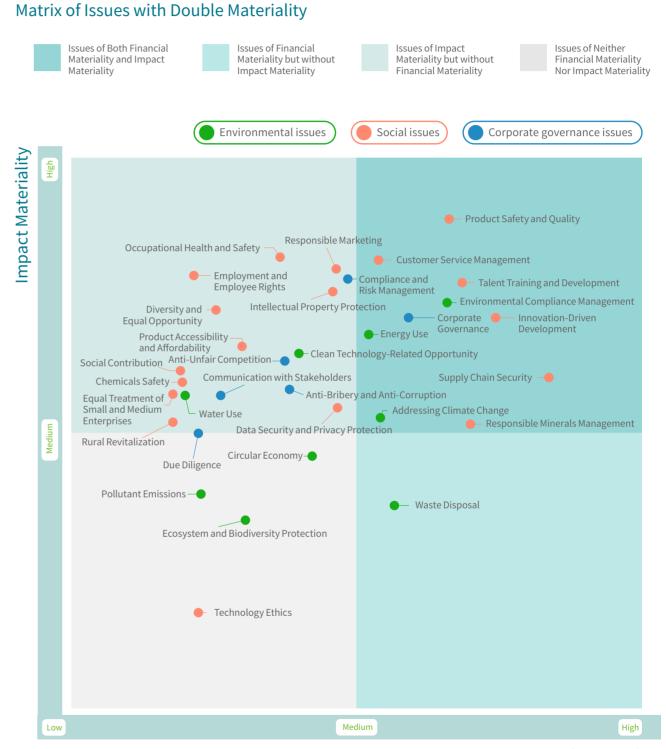
addition, there are 18 issues that are of impact materiality but not of financially material to the Company.

Acting Ethically to

Drive Green Progress

Integrity as the Foundation

Compliance for the Long Run



Financial Materiality

Materiality Analysis of Financially Material Issues

Material	Impact Materiality Analysis		Impact Materiality Analysis Financial Materiality Analysis		Materiality Analysis	
issues	Impact Scope	Affected Stakeholders	Risk Analysis	Opportunity Analysis	Impact Period	
Innovation- Driven Development	Upstream Self-operation Downstream	Shareholders and investors Employees Customers and consumers Suppliers Partners	As substantial R&D investment is necessary for innovation-driven development, the Company may face challenges such as uncertain returns on R&D investment, funds shortages, debt pressure, and limited financing. Market fluctuations and policy changes may affect the progress of innovation projects, while rising operating costs may erode profit margins.	Technological innovation will result in higher product performance and lower costs, providing the Company with differentiated product and service advantages. Through innovation, the Company can expand into new markets, diversify sources of revenue, strengthen market competitiveness, and further consolidate its leading position in the industry.	Short term Medium term Long term	
Corporate Governance	Upstream Self-operation Downstream	Shareholders and investors Employees Customers and consumers Suppliers Governments and regulators	With the fast expansion of business, the Company's management need to enhance management capabilities and optimize internal control processes, to cope with the increasingly complex operating environment.	By improving management systems and strengthening internal controls, the Company can effectively enhance operational efficiency and decision-making quality while reducing management costs.	Short term Medium term Long term	
Product Safety and Quality	Upstream Self-operation Downstream	Shareholders and investors Employees Customers and consumers Suppliers	Product quality problems may undermine customer trust, increase after-sales costs, and add difficulty to market promotion, thus adversely impacting the Company's financial performance. In addition to increased costs, quality problems or product recalls may also lead to a loss of market share due to reputational damage.	By continuously optimizing production processes and strengthening quality inspections, the Company can improve product consistency and safety while reducing production costs. High-quality products help enhance customer loyalty, expand market share, and bring stable revenue growth and financial benefits to the Company.	Short term Medium term Long term	
Customer Service Management	Self-operation Downstream	Employees Customers and consumers	Inadequate customer service management may reduce customer satisfaction, raise the risk of customer loss, and ultimately affect sales revenue and market share. Poor or untimely customer support can lead to complaints from customers, higher operational costs, and weakened market competitiveness and financial performance.	By optimizing customer service processes and improving response speed and service quality, the Company can enhance customer satisfaction and loyalty, encouraging repeat purchases and word-of-mouth referrals. Excellent customer service can facilitate market share expansion and generate stable revenue growth and financial returns for the Company.	Short term Medium term Long term	
Talent Training and Development	Self-operation	Employees Partners	An incomplete employee training and development system may cause talent attrition and increase recruitment and training costs. Skill deficiencies may lower working efficiency, affect project progress and quality, thus undermining the Company's competitiveness and financial performance. Furthermore, the absence of career development opportunities may reduce employee engagement, increase management challenges, and elevate operational costs.	A well-established employee training and development system can improve employee skills and loyalty, optimize allocation of human resources, and reduce recruitment and training costs. An efficient employee team can boost productivity and innovation, drive business growth, and enhance the Company's market competitiveness. All this will provide robust support for financial performance, contributing to long-term sustainable development.	Short term Medium term Long term	
Environmental Compliance Management	Self-operation Downstream	Customers and consumers Employees Communities and the public Governments and regulators	Poor environmental compliance management may expose the Company to significant fines and legal disputes, thus adding to the Company's financial burdens. Failure to comply with environmental regulations may lead to regulatory penalties, reputational damage, and loss of market trust, ultimately undermining financial performance.	By strengthening environmental compliance management, the Company can reduce operating costs and minimize fines and legal risks arising from regulatory violations. A sound compliance record helps to enhance the Company's reputation, strengthens market competitiveness, and attracts investors and customers, resulting in long-term financial benefits.	Short term Medium term Long term	

Material	Impact Materiality Analysis		Impact Materiality Analysis Financial Materiality Analysis		
issues	Impact Scope	Affected Stakeholders	Risk Analysis	Opportunity Analysis	Impact Period
Energy Use	Upstream Self-operation Downstream	Employees Customers and consumers Suppliers	Fluctuations in energy prices may increase production costs and thus reduce profits. At the same time, increasingly stringent environmental regulations require the Company to invest more in energy conservation, emission reduction, and energy management. In the short term, this may increase capital expenditures and operating costs. Failure to increase the use of renewable energy may expose the Company to higher carbon-related compliance costs and a disadvantage in the green supply chain.	To lower energy costs and mitigate policy risks, the Company is promoting refined energy management by optimizing energy consumption structures and improving equipment energy efficiency. It is also exploring renewable energy solutions like distributed photovoltaic systems to reduce reliance on traditional energy. As renewable energy prices decline, the Company is expected to further reduce unit energy costs, improve its carbon performance, enhance product competitiveness in low-carbon markets, and increase its appeal to ESG-oriented investors.	Short term Medium tern Long term
Addressing Climate Change	Upstream Self-operation Downstream	Shareholders and investors Employees Customers and consumers Suppliers Communities and the public Governments and regulators	Physical risks caused by climate change, such as extreme weather incidents, may damage the Company's fixed assets, disrupt its supply chain, and increase operating costs. Additionally, transition risks, such as tighter policies and regulations or shifts in market preferences, may require the Company to invest more in R&D of low-carbon technology and equipment upgrades. If it fails to respond promptly, the Company may see decreased market competitiveness and reduced revenue.	To adapt to the global low-carbon transition, the Company is accelerating the development of low-carbon products and services to meet market demands and identify new business growth opportunities. It is also expanding the use of renewable energy and improving energy efficiency to reduce production costs and lower greenhouse gas emissions. Additionally, active engagement in green finance and carbon trading helps optimize capital structure and reduce financing costs.	Medium term Long term
Waste Disposal	Self-operation Downstream	Customers and consumers Employees Community and the public Governments and regulators	Waste disposal is subject to strict environmental regulations and regulatory requirements. Failure to manage waste effectively may expose the Company to penalties and reputation damage, increasing operating costs. Inadequate waste management technology or poor execution may trigger environmental incidents and disrupt the Company's operations.	By optimizing waste management, the Company can convert waste into reusable resources, lower raw material procurement costs, and improve resource efficiency. In addition, effective waste management practices enhance ESG performance boost market competitiveness, and attract more investors.	Short term Medium term Long term
Supply Chain Security	Upstream Self-operation Downstream	Shareholders and investors Employees Customers and consumers Suppliers	The fluctuation in raw material prices, especially the uncertainty of commodity prices, may lead to increased procurement costs and reduced profit margins. Moreover, the advancement of sustainable supply chain policies and the rising customer expectations for green procurement require the Company to allocate more resources to meet compliance standards, thereby increasing operational pressure and affecting cost control and market competitiveness.	Through supply chain optimization, the Company enhances its resilience against disruptions and market volatility. The Company expands global channels of lithium supply, forges a diversified supply network, reduces dependence on any single market, and improves purchase flexibility and cost advantage. By deepening supplier cooperation and optimizing inventory management and local purchase, it guarantees the stability and cost advantage of raw materials supply.	Short term Medium term Long term
Responsible Minerals Management	Upstream Self-operation Downstream	Customers and consumers Suppliers Communities and the public Governments and regulators	Responsible minerals management adds to compliance costs and supply chain complexity, requiring the Company to allocate more resources to perform due diligence and strengthen compliance management, which will increase short-term costs. The regulatory differences across regions and the difficulty in supplier management may lead to lower operational efficiency. Inadequate policy implementation in some regions may pose legal and compliance risks. Improper mineral management may undermine the Company's brand reputation.	Responsible minerals management enhances the transparency and legitimacy of the Company's supply chain, and boosts its market competitiveness. Complying with international standards not only helps build a responsible corporate image, but also attracts green purchase customers and investors, thereby reducing compliance risks and laying a foundation for sustainable development.	Short term Medium term Long term

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Communication with Stakeholders

The Company aims to establish and maintain long-term, stable and trusted partnerships with stakeholders. To gain in-depth insights into the needs, opinions and expectations of various stakeholders concerning the Company's future development, the Company has established a regular communication mechanism that covers key stakeholders, including governments and regulators, shareholders and investors, customers, employees, strategic partners, and communities and the public.

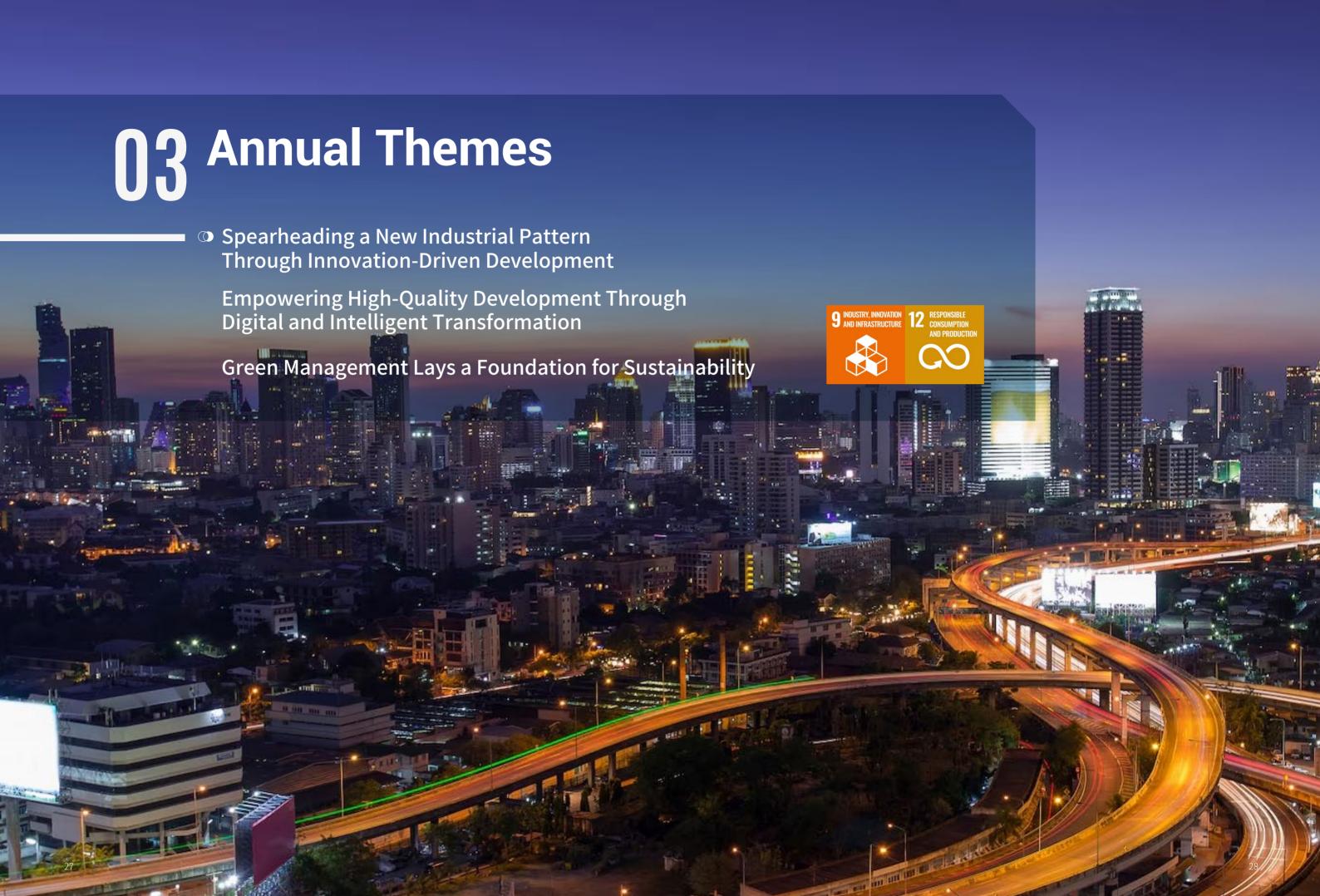
The Company promptly responds to and addresses the core concerns and demands of various stakeholders. On such a basis, the Company continuously advances improvements in all areas. While pursuing economic benefits, it also takes into account the creation of social values and the harmony with the environment, so as to achieve sustainable development that delivers benefits to all.



Stakeholders' Concerns and Communication Channels

Key Stakeholders	Concerns		Communication Channels	
Shareholders and investors	 Corporate governance Compliance and risk management Innovation-driven development 	 Product quality and safety Addressing climate change Supply chain security 	 General meeting of shareholder Periodic report and official information disclosure Conference call 	s > Performance briefings > irm.cninfo.com.cn > Investor email and hot-line > Investor visit
Employees Senior management	Corporate governance Compliance and risk management Innovation-driven development Product quality and safety	 Customer service management Talent training and development Supply chain security Addressing climate change Energy use 	 Diversified training system Employee performance assessment management Open dialogue mechanisms 	Employee satisfaction surveyTrade union representationPerformance briefings
Employees Employees other than senior management	 Innovation-driven development Customer service management Talent training and development Employment and employee rights 	Occupational health and safety Environmental compliance management Waste disposal Compliance and risk management	 Diversified training system Employee performance assessment management Open dialogue mechanisms 	➤ Employee satisfaction survey ➤ Trade union representation ➤ Performance briefings
Customers and consumers	 Innovation-driven development Product quality and safety Customer service management Corporate governance Compliance and risk management Supply chain security 	 Responsible minerals management Addressing climate change Energy use Environmental compliance management Waste disposal Data security and privacy protection 	Customer auditsCustomer serviceCustomer satisfaction survey	Daily communication by email and telephone Response to customer complaints Customer visits
Governments and regulators	 Corporate governance Compliance and risk management Anti-bribery and anti-corruption Occupational health and safety 	 Addressing climate change Energy use Waste disposal Environmental compliance management Responsible minerals management 	 Inspection by leaders and comp Regular work summary and offi Daily policy implementation 	
Suppliers	 Innovation-driven development Product quality and safety Supply chain security Responsible minerals management 	 Addressing climate change Energy use Corporate governance Compliance and risk management Anti-bribery and anti-corruption 	Diversified supplier networkOn-site supplier communicationSupplier training	n activities
Partners	 Innovation-driven development Talent training and development Intellectual property protection 	 Data security and privacy protection Compliance and risk management Anti-bribery and anti-corruption 	 Cooperation agreement IUR (Industry - University - Reseat Industry events such as exhibition 	
Communities and the public	Social contributionRural revitalizationAddressing climate change	 Environmental compliance management Pollutant emissions Waste disposal 	activities Donation through public	Media interviews and communication with the public Announcements and information disclosure

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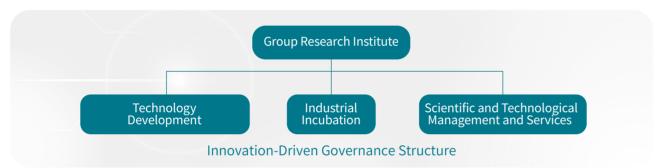


Spearheading a New Industrial Pattern Through Innovation-Driven Development

Canmax closely follows industrial development trends and market demands, driving the in-depth integration of "production, university, research and application" by leveraging internal resources, collaborating with universities and institutes, and uniting multiple parties, such as upstream and downstream enterprises in the industrial chain and industrial funds. In 2024, the Company inaugurated the Group Research Institute, which focuses on medium and long-term technology planning and industrial incubation, so as to continuously advance industrial progress.

Governance

The Company designates the Group Research Institute as the core management entity for R&D innovation, responsible for overall planning and promoting innovation work. This includes strategically focusing on the development of new fields, new systems, new products, and new technologies. The president of the research institute conducts comprehensive coordination and management to ensure the formulation and implementation of R&D innovation strategies. The research institute undertakes functions such as cutting-edge technology development, industrial incubation, scientific and technological management, and services, responsible for the implementation and execution of various innovation tasks. Meanwhile, each division sets up its own innovation center to carry out the iteration and improvement of existing products, and the development of derivative products, and jointly promote the overall innovation work of the Company.



The Company strictly abides by laws and regulations such as the Law of the People's Republic of China on Science and Technology Progress and Outline of the National Innovation-Driven Development Strategy, and formulates a series of systems such as the R&D Research Process Management System, Cooperative R&D Management System, and R&D Project Management Measures to standardize the management of the entire R&D process.

Strategy

With "becoming the central research institute of a first-class enterprise in the industry and the incubator of the Group's cutting-edge industrial technology" as its strategic vision, the Group Research Institute of the Company focuses on medium- and long- term technical planning and layout, carries out strategic actions, and is committed to the research and development of cutting-edge technology as well as the commercialization of scientific and technological achievements.



Impact, Risk and Opportunity Management

The Company supports the realization of its strategic vision through R&D team building, R&D breakthroughs, industry-university-research (IUR) collaboration, standard formulation and industry exchanges.

R&D Team Building

The Company places significant emphasis on technological innovation and talent cultivation, and vigorously introduces high-end technical talents. As of the end of the reporting period, the Company had established a dedicated R&D team composed of 609 professionals, providing a solid HR support for technological R&D and innovations.

The Company provides all-round support and guarantee for the growth of employees, organizing ongoing specialized training for R&D technicians and management personnel, to enhance their professional ability and managerial efficiency, thereby fostering continuous innovation and growth. Meanwhile, the Company has established a scientifically designed and rational R&D incentive mechanism to motivate the team to deliver high-quality outcomes. It also establishes an annual outstanding performance evaluation and awarding program, and includes the appraisal results in performance assessment to further enhance the incentive effect.

Innovation Incentive System

Material Incentives

The Company has issued the *Management Measures for Science and Technology Awards*, providing cash rewards to awardees in the forms of annual excellence awards and instant rewards (including intellectual property achievement rewards and government application rewards).

Spiritual Incentives

The Company actively promotes advanced models. In the annual outstanding performance appraisal, it sets up awards such as the outstanding science and technology individual award, the outstanding industrial mentor award, and the science and technology development collective award. Honorary certificates are presented to the award-winning teams and individuals to encourage innovation and contributions.

The Company actively establishes joint R&D platforms, fostering a synergy of "production-university-research-application", and promotes the integration of production, education and research through in-depth cooperation with universities, research institutes and industry partners, and accelerates technological innovation and industrial progress. As of the end of the reporting period, the Company has formed strategic partnerships with over 10 Double First-class universities and top scientific research institutions in China. It invested more than RMB 32 million in IUR cooperation during the reporting period, continuously empowering technology research and development as well as achievement transformation. Additionally, the Group Research Institute has established a technical committee, inviting industry experts to serve as external advisors and industry mentors, thereby forming a high-end expert think tank.



Relying on the "State Key Laboratory of Fine Chemicals" at Dalian University of Technology, the Company co-established the Liaoning Provincial Innovation Center for High-performance Membranes and Membrane Materials



Recognized as "Jiangsu Postdoctoral Innovation Practice Base"



The Company established a joint laboratory together with Tianmu Lake Institute of Advanced Energy Storage Technologies and Tianjin University, carrying out the R&D and industrialization of new all-solid-state battery materials



The Company built a "Key Laboratory for Solid-State Battery Key Materials and Devices" Jointly with Suzhou Laboratory



■ The Company took the lead in forming the Suzhou Lithium-ion Battery Key Materials Innovation Consortium in collaboration with Soochow University, Suzhou Institute of Nano-Tech and Nano-Bionics (SINANO) of the Chinese Academy of Sciences, Tianmu Lake Advanced Energy Storage Technology Research Institute, and Jiangsu Weilan, etc.



Yeso-med and Zhejiang University jointly established a plasma joint research institute to drive technological innovation breakthroughs in the field of medical devices

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Case

Approval of Project Funding by China Postdoctoral Science Foundation

The funding list of the 76th batch of China Postdoctoral Science Foundation was officially announced in November 2024. Dr. Hu Lei, a postdoctoral researcher co-cultivated by the Group Research Institute and Professor He Gaohong's team from Dalian University of Technology, has been successfully included in this list. His research achievements in the redox flow battery membrane project have earned him special national-level funding in the field of chemical engineering and technology. This project focuses on investigating the "trade-off effect between ionic conductivity and ionic selectivity in redox flow battery membranes." It is anticipated that this project will provide critical support for advancing the application and development of membrane technology within the redox flow battery field.

Case

Innovation Workshop Builds a Platform for Employee Growth and Technology Inheritance

In November 2024, Yeso-med launched the "Jin Chaozhou Employee Innovation Workshop." This initiative encompasses activities such as technical training, business exchanges, and mentorship programs. It aims to promote the spirit of model workers, dedication, and craftsmanship while serving as a role model for employees. The workshop encourages quality enhancement among staff and organizes vocational skills and labor competitions, fostering an environment within the company that supports mutual learning, collaboration, and active innovation.



Jin Chaozhou Employee Innovation Workshop



R&D Breakthroughs

The Company focuses on the fields of lithium-ion battery materials, ultra-clean ESD technology, as well as medical devices. It is dedicated to developing high- performance and high-safety new materials and technologies. By exploring battery materials, electrostatic protection and high-end medical devices, the Company promotes technological innovation and application expansion. Meanwhile, the Company actively seizes the opportunities of clean technology and develops low-cost and high-performance ion membrane materials. These materials are applied in various fields, including acid aqueous flow batteries, hydrogen production via water electrolysis, lithium extraction from salt lakes, and hydrogen fuel cell stacks, so as to drive the development of green energy and environmental protection technologies.

2024 R&D Innovation Achievements (Partial)

Technological Fields	Specific Achievements
New Energy Materials	 The Company led the R&D project of "Magnetic Directed In-situ Growth Bridging Polyhedral Oligomeric Silsesquioxane (POSS) Nanofibers to Build a One-Dimensional Orderly Through Ion Sieving Channel," which was selected as a general funding project of the China Postdoctoral Science Foundation; The Company led the "R&D of High Safety and High Energy Density Cathode Materials for Solid State Batteries and Commercialization" project, which was listed among the top 100 projects of the Small and Medium-sized Enterprise Innovation and Entrepreneurship Competition in Jiangsu Province; The Company participated in the project of "Development of Polymer Oxide Composite All-Solid-State Battery for Power", which was selected as a major science and technology project in Jiangsu Province; The Company participated in the "Technological R&D for Key Materials of Polymer Solid State Lithium Batteries" project, which was selected into the key technology research and development support projects of Suzhou.
Ultra- clean ESD Technology	• The Company participated in the project "R&D of Key Technologies for the Causes and Safety Control of Static Electricity Disasters of Combustible Liquid Gases", which was listed among the key science and technology plans of the Ministry of Emergency Management in 2024.
Medical Devices	 High-pressure pipelines broke foreign monopoly, promoting the localization process of angiographic injection technology; The tumor steep pulse technology was being upgraded for a more delicate and safer surgical experience; The CT tube broke through the technical bottleneck of dynamic bearing technology, with industry-leading noise reduction and heat dissipation performance.

2024 R&D Innovation Honorary Titles (Partial)



Canmax Ultra Clean

Stone Tech

Yeso-med



Honors

The title of "Top 100 Manufacturing Private Enterprises in Jiangsu Province", "Top 100 Private Enterprises in Suzhou" and "Jiangsu Postdoctoral Innovation Base"

The title of "Engineering Technology Center in Suzhou Industrial Park"

Wuxi TA&A The title of "High and New Technology Enterprise"

The title of "Outstanding Achievement Award for Standardization"

The title of "High tech Enterprise", "National Specialized and New Little Giant Enterprise", etc.



Industry Exchange and Standard Development

The employees of the Company, which is a member of numerous authoritative industry associations and professional institutions, serve as expert or core members within these entities. They consistently focus on the forefront of the industry, and actively engage in and promote the development and optimization of relevant standards. With profound expertise and extensive experience, the Company actively contributes wisdom to help build scientific and advanced industry norms, promotes healthy competition through high standards, and drives the sustainable, healthy and orderly development of the industry.

International Organizations for Standardization

Sichuan Power Battery Innovation Consortium

Jiangsu New Materials Industry Association Board of Directors of the ESDA in the United States

National Standardization Technical Committee on Electrostatics

Electrostatic Professional Committee of the Chinese Physical Society

China Association for Medical Devices Industry

Polymer Branch of China Association for Medical Devices Industry

Standard Technical Committee of the Professional Branch for Medical Polymer Products

Engagement in the Development of Industry Standards

Lithium-ion Battery Division

Local standard *Determination of Magnetic Particles in Lithium Battery Materials: Optical Microscopy Method*Guideline of Carbon Footprint Accounting of Lithium Products of International Lithium Association (ILiA)

Ultra-Clean ESD Division

National standard GB/T 37977.41-2024 Part 4-1 of Electrostatics

National standard GB/T 37977.43-2024 Part 4-3 of Electrostatics

National standard GB/T 37977.45-2024 Part 4-5 of Electrostatics

National standard GB/T 37977.46-2024 Part 4-6 of Electrostatics

National standard GB/T-44787-2024 General Specification for Real-time Monitoring System of Electrostatic Control Parameters Industry standard SJ/T 1277-2024 General Specification for Turnover Apparatus of Electrostatic Protection

Medical Division

Group standard of China Association for Medical Devices Industry T/CAMDI134.4-2024 Aging Test Guidance on Polymer Materials and Packaging Materials for Medical Devices—Part 4: Methods for Selecting Accelerated Aging Temperatures

Group standard of China Association for Medical Devices Industry T/CAMDI131-2024 Blood Transfer Device for Single Use

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The Company actively participates in various industry exchange activities, shares research achievements and practical experience in key technical fields by attending high-level conferences, hosting professional forums and showcasing innovative achievements, and deeply participates in the discussion of industry standards as well as research and judgment of technology trends.

2024 Industry Exchange Activities (Partial)

The Company hosted the International Symposium on Electrostatic Technology and IEC/TC101 Conference, sharing research achievements in electrostatic safety monitoring technology and products.

The Company hosted the first National Electrostatic Discharge (ESD) Protection Summit Forum, sharing insights on ESD & EOS Diagnosis of Test Equipment and Technical Applications of ESD in Digital Factories;

The Company attended the 2024 GGII & Yano Annual Conference, where Dr. Wang Ronggang, President of the Group Research Institute, and industry experts discussed topics such as new energy technology iteration, cell development, and upstream and downstream collaboration;

The Company attended the 4th China Solid-State Battery Advanced Technology Conference, sharing progress and industrialization capabilities in the field of key materials for solid-state lithium batteries:

The Company attended the 2024 World Power Battery Conference and Power Battery Green and Low-Carbon Travel Exhibition:

The Company attended the 2024 European Battery Exhibition, Japan Battery Exhibition, and South Korea International Battery Exhibition:

The Company attended the Fastmarkets U.S. Lithium Supply & Battery Raw Materials Conference, and the Fastmarkets South Korea Lithium Battery Raw Materials & Recycling Conference;

The Company attended the global semiconductor industry event SEMICON China 2024, where it showcased ESD control and cleanroom products; The Company attended the 90th China International Medical Equipment Fair, show-casing innovative high-pressure pipelines at the exhibition, and sharing independently developed products such as the needle-free high voltage contrast injection system.

Indicators and Targets

The Company takes "implementing the two core functions of cutting-edge technology development and scientific and technological development, forming a medium and long-term technology planning and layout system, and annually promoting the industrial technology layout" as the innovation-driven strategic goal, and continues to increase R&D investment. During the reporting period, the Company invested RMB91.4456 million in R&D activities and successfully facilitated the industrial deployment of over 40 technological achievements.



Empowering High-Quality Development Through Digital and Intelligent Transformation

With Industry 4.0 as its core framework, Canmax systematically advances the construction of smart factories to enhance its digital and intelligence competitiveness. Through technological collaboration and scenario-based innovation across various divisions, the Company builds a digital strategy of "intelligent central hub - vertical scenarios industrial empowerment", forming an all-scenario digital solution covering production control, energy efficiency optimization, and quality traceability.

Lithium-ion Battery Division

The Lithium-ion Battery Division follows the intelligent manufacturing standards and is committed to building an intelligent factory. It has successfully completed the digital transformation of safety and environmental protection facilities and started to build an intelligent safety and environmental protection management system. This system integrates multiple advanced technologies such as digital twins, artificial intelligence (AI), Internet of Things, and sensors, big data analysis, and cloud computing. Through functionalities such as electronic work order management, real-time monitoring, risk pre-warning, emergency command, and intelligent supervision, this system realizes comprehensive intelligent control over safety risks and environmental protection issues in the production process.

Meanwhile, the Lithium-ion Battery Division focuses on building three lithium salt intelligent manufacturing subsidiaries in Yibin, Meishan and Fengxin, and accelerates the in-depth integration of multiple systems, such as Manufacturing Execution System (MES), Enterprise Resource Planning (ERP), Warehouse Management System (WMS), and Distributed Control System (DCS) and Enterprise Asset Management (EAM). This initiative aims to construct an advanced intelligent big data system for lithium salt production, thereby further enhancing both quality and efficiency.

Digitization

Integration of the extended supply chain

Integration of the extended supply chain: Based on the production and logistics system driven by lean thinking, it realizes real-time data visualization and risk monitoring and pre-warning in all business areas.

MES system

Integrated with ERP, Transportation Management System (TMS), WMS, DCS, Environment, Health and Safety Management System (EHS), Laboratory Information Management System (LIMS) and other systems, the system automatically generates daily production reports and energy consumption reports, and realizes the traceability of process data, quality data, and cost data throughout the process from feeding to finished products.

TMS system

It enables functions such as automatic dispatching of vehicles for raw and auxiliary materials, appointment of the entering the factory, automatic weighing without drivers getting off the vehicles, and vehicle dispatch settlement, and completes data traceability of the business process from the purchase of raw and auxiliary materials to their entry into the factory.

Intelligence

Intelligent stereoscopic warehouse

It assigns a unique storage location to lithium salt finished products, associates a unique QR code, transforms the warehousing mode from the traditional "people-to-goods" approach to an automated "goods-to-people" process. It also enables efficient inventory taking and inventory quality spot-checks.

Intelligent control combustion system

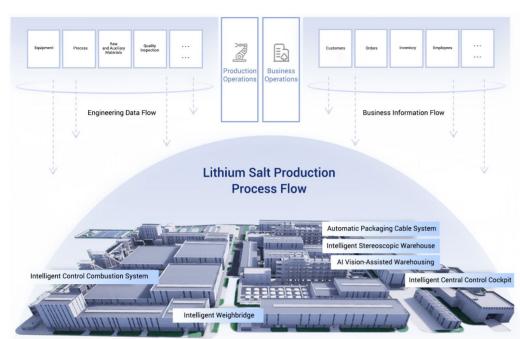
Through real-time monitoring of kiln firing temperature and automatic adjustment through multi-factor linkage, it improves the conversion rate of lithium concentrate.

Intelligent central control

It integrates all production process data and displays them in a graphical way, thus realizing the visualization of production abnormal alarm positioning and quickly guiding problem solving at the production site.

Full-process Traceability

The Company achieves full-process traceability of all elements from minerals to products.



Lithium Salt Production Process Flow

Ultra-Clean ESD Division

The Ultra-Clean ESD Division has built an "energy - cleanness" dual-drive intelligent control system, with the energy management system at the core, integrating the self-developed power energy efficiency terminal, and forming a linkage with the electrostatic and clean parameter monitoring platform.

Its energy management system monitors the energy flow data of equipment such as air compressors and boilers in real time, simultaneously tracks the power loads of pollution generating and pollution treating equipment, and achieves safety controls such as balanced production scheduling of energy consumption, early warning for leakage protection, and dynamic planning for energy storage. This system integrates monitoring point data in real time with provincial and municipal environmental protection supervision platforms, establishing a closed-loop framework for environmental governance characterized by "enterprise self-inspection - government supervision - emission optimization".

Medical Division

The Medical Division takes "data-driven" and "intelligent collaboration" as the core and promotes the digital transformation of the medical industry in stages. In the initial phase of informatization construction, Yeso-med realized the basic integration of production, supply and marketing through the ERP system. In 2019, it initiated the upgrading of intelligent factory. Yeso-med took the lead in deploying the Manufacturing Execution System (MES), intelligent scheduling of Automated Guided Vehicle (AGV) and Warehouse Management System (WMS) smart warehousing system, realizing data connectivity among multiple business systems, and completing unmanned operation throughout the process from raw material warehousing to the delivery of finished products.



Yeso-med receives recognition for its digitalization and intelligence achievements

In 2021, Yeso-med's aseptic syringe intelligent manufacturing workshop was honored with the title of "Jiangsu Provincial Intelligent Manufacturing Demonstration Workshop", signifying the entry into a new phase of transformation. By introducing intelligent injection molding units, central feeding systems and Class 100,000 dust-free purification projects, it innovatively built an intelligent production line for aseptic syringes. Adopting the trinity architecture of ERP instruction issuing, MES real-time monitoring and WMS precise distribution, together with the domestic software platform and visual command screen, it formed a closed-loop management from planned production to quality traceability. This model increased production efficiency by 57.54%, reduced operating costs by 11.97%, and secured a 16.7% reduction in the defect rate.

In February 2025, following the review by Xishan District People's Government of Wuxi at the New Industrialization & "Four New and Four Strong" Industrial Cluster Construction Promotion Conference, Yeso-med was officially recognized as both a "Jiangsu Enterprise Industrial Internet Platform" and a "Jiangsu Five-Star Cloud Enterprise". At present, Yeso-med is improving the industrial Internet platform with the five-star cloud migration standards, and deepening the cloud migration of all elements including equipment, management and service. By building a digital platform covering R&D and design, manufacturing and operation and maintenance services, Yeso-med aims to build a data-driven intelligent factory and provide a paradigm for the transformation from automation to intelligence for the medical industry.

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At the group level, Canmax launched a digital collaboration platform project to accelerate digital transformation, ensure business data security and improve management efficiency. The Company chose DingTalk, which is a platform with powerful features such as instant messaging, task management, file sharing, etc., as a highly secure office and communication platform, and built an efficient working model of organization, communication, collaboration and online business. The overall architecture of the platform aims to create an open and intelligent digital foundation to help organizations improve quality and efficiency, and promote business digital transformation by leveraging AI technologies.



Launch Meeting of Canmax DingTalk Project

Canmax will remain committed to advancing its digital and intelligent transformation and construct a data-driven intelligent ecosystem. The Company will continue to further enhance scenario-based innovation in each division, foster the digital closed-loop of the entire industry chain. By reinforcing the collaborative efficiency of the group-level platforms, the Company will achieve cross-domain data integration and intelligent decision-making. It will accelerate industry empowerment by delivering standardized intelligent manufacturing solutions.



Green Management Lays a Foundation for Sustainability

Canmax always adheres to the concept of green management and conducts forward-looking planning and layout. From the standardized management of the lithium slag yard in Tyeeli (Fengxin) to the efficient treatment of wastewater and waste gas in Wuxi TA&A, the Company precisely identifies and addresses environmental problems in the production process, continuously explores technological optimization and innovation, and achieves a harmonious coexistence of economic benefits and environmental protection in the development process.

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Tyeeli (Fengxin) Leaching Slag Yard Project

----Innovative Environmental Measures for Safe Lithium Slag Management



The safe management and efficient utilization of lithium slag have become a focus of the industry. The leaching slag yard project of Tyeeli (Fengxin), which was put into use in 2023, aims to solve the lithium slag storage with innovative and environmental-friendly solutions. The project covers an area of about 536 mu and has a storage capacity of 6.8 million cubic meters. It is a comprehensive engineering project integrating leaching slag treatment, environmental facilities, and infrastructure, and is one of the leaching slag storage yards with the most complete supporting facilities in the lithium salt industry.

The project includes the construction of a leaching slag yard, a regulating pond, water recycling facilities, access roads, and a groundbreaking fully enclosed, automated overhead conveyor pipeline corridor with a total length of 4.8 kilometers. As the pioneering case in the lithium extraction industry of lepidolite, this corridor significantly mitigates the pressure of road transportation, eliminates the safety and environmental problems caused by lithium slag overflow along the way, and fully demonstrates the management effectiveness of Tyeeli (Fengxin) in environmental protection, technological innovation, and resource recycling.

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High-Standard Construction of Leaching Slag Yard

The leaching slag yard is constructed in strict accordance with Class II site standards. The project has set up a groundwater drainage system, which effectively avoids the adverse impact of groundwater on the anti-seepage structure. According to the current terrain, the groundwater in the leaching slag yard can be discharged by artesian flow from the bottom of the retaining dam, and a collection well is installed at the outlet to ensure that the groundwater can safely flow into the surface water system during normal operation.



Anti-Seepage Structure Design

The bottom and slopes of the leaching slag yard are constructed with an advanced anti-seepage composite liner system, namely the leaching slag heap + 1.5mm HDPE membrane + 5,000g/m2 sodium-based geosynthetic clay liner (GCL) mode. This design effectively isolates the internal and external environments of the leaching slag yard, prevents leachate from infiltrating into the adjacent strata and groundwater, and at the same time prevents external water from entering the slag heap and leaching significant quantities of pollutants, ensuring environmental safety.



Leachate Treatment and Reuse

This project includes a leachate recycling system, which adopts a geotechnical composite drainage network, a leachate drainage pipe network, drainage wells, and a regulating pond to form a graded drainage system. After the leachate is collected into the drainage well through the pipe network, it is temporarily stored in the regulating pond and then transported all to the leaching and pressure-filtering workshop of the lithium carbonate plant as production water for reuse through a dedicated backwater pipeline. By means of an integrated design approach encompassing "guided drainage - storage - reuse," both zero wastewater discharge and resource recycling are realized.

Digital Safety Automatic Monitoring System

The leaching slag yard is equipped with an advanced safety automatic monitoring system, covering GPS dam surface displacement monitoring, rainfall monitoring, etc. It adopts computer technology, digital radio communication technology, network communication technology, etc., achieving comprehensive digitization, automation, and networking of monitoring, significantly improving the monitoring accuracy, real-time performance, and intelligence, and providing a strong guarantee for the safe operation of the leaching slag yard.

Lithium slag contains multiple types of elements and features high values and wide applications. Responding to the national initiative for the development of the circular economy, Tyeeli (Fengxin) explores new technologies and processes to extract and recover valuable elements, and is committed to achieving the efficient utilization of lithium slag. The completion of the leaching slag yard project not only solves the problem of compliant stacking of lithium slag but also provides an innovative idea for the decentralized disposal of lithium slag in the lithium battery industry, effectively avoiding potential environmental safety hazards and setting an industry example for green development.



Tyeeli (Fengxin) Leaching Slag Yard

02

Wuxi TA&A strengthens environmental protection

—Achieves "zero discharge" of production wastewater

Wuxi TA&A specializes in high-quality wipes, which generate a lot of waste gas and wastewater during the production process. The production of nanomaterials poses particular challenges in the treatment of wastewater and waste gas, alongside increasingly stringent environmental requirements. To ensure compliance with both product quality standards and environmental protection regulations, Wuxi TA&A places a strong emphasis on the construction and upgrading of environmental protection facilities.

As of the end of the reporting period, Wuxi TA&A completed the upgrade and renovation of its wastewater and waste gas treatment facilities for strategic emerging projects, with a total investment amount of approximately RMB7 million, aiming to surpass national and local standards for environmental protection indicators during the production process. After implementing a series of upgrading and transformation measures, Wuxi TA&A has achieved the reduction, resource utilization, and harmless treatment of wastewater and waste gas. Notably, Wuxi TA&A accomplished zero discharge of reused production wastewater, thereby establishing itself as a benchmark for environmental protection practices within the industry.

Innovative Practice of Wastewater Recycling Scheme

Wuxi TA&A adopts efficient and stable wastewater treatment technologies and processes, that is the "in-depth biochemical treatment + precipitation + filtration + softening" scheme. It utilizes multi-stage treatment systems such as biochemical and physicochemical methods to ensure the effectiveness and stability of wastewater treatment. Through the use of a softening processor to remove calcium and magnesium ions, the wastewater generated in the production process meets the water quality standards for reuse, realizing the recycling of wastewater. Meanwhile, this system is integrated with an intelligent control system to realize the automation and remote monitoring of wastewater treatment, improving the treatment efficiency and operating stability.

This scheme reduced the consumption of fresh water. In 2024, the water consumption per unit of product decreased by 44.2%. This scheme also reduced the environmental impact of wastewater discharge.

Innovative Measures for Waste Gas Treatment

As an important piece of equipment in the textile printing and dyeing industry, the stenter produces a large amount of waste gas containing pollutants such as cooking fume, particulate matter, and volatile organic compounds (VOCs) when it is used. Wuxi TA&A has specifically implemented the *Stenter Waste Gas Purification System Scheme* to comprehensively purify the waste gas generated by the stenter. This system adopts advanced purification technologies to effectively remove harmful substances in the waste gas and ensure the compliant discharge of gas.

In addition, for facilities that generate substantial quantities of waste gas, such as sewage treatment plants, Wuxi TA&A has implemented the *Biological Deodorization Design Scheme*, using biotechnology to deodorize waste gas. Based on efficient purification capacity, this scheme adopts a low energy consumption design and integrates an intelligent management system to automate waste gas treatment, enhancing treatment efficiency and ensuring operating stability.

The waste gas treatment scheme implemented by Wuxi TA&A ensures full compliance with emission standards and effectively reduces treatment costs. Wuxi TA&A remains committed to its environmental philosophy, continuously explore new technologies and processes, and promote the industry's green transformation.





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Product Quality and Safety

Governance

Canmax puts product quality and safety in the first place, and each subsidiary has set up a dedicated department to comprehensively oversee every link of products from production to completion, ensuring compliance with the standards prescribed by both the state and the industry.

The Company complies with the *Product Quality Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China* and other laws. It has established a comprehensive quality management system in accordance with ISO 9001:2015, IATF 16949:2016, ISO 13485:2016 and other international standards. This system covers product development, production, equipment monitoring, inspection, non-conforming product handling and other aspects. The quality management system is regularly evaluated and updated by each subsidiary through continuous optimization and improvement in order to enhance adaptability, integrity and efficiency.

Certified Management System Certified Entity Coverage	
ISO 9001:2015 Quality Management Systems	Canmax, Tyeeli (Yibin), Tyeeli (Meishan), Canmax Ultra Clean, Wuxi TA&A, Stone Tech, Zhenjiang Zhonglei, Yeso-med
IATF 16949:2016 Automotive Quality Management System	Canmax, Tyeeli (Yibin) , Tyeeli (Meishan), Tyeeli (Fengxin), Stone Tech
ISO 13485:2016 Medical Devices — Quality Management Systems	Stone Tech (Fuze Road Plant Area), Yeso-med

Strategy

The Company prioritizes customer satisfaction as its guiding principle and early risk identification as the basis. Through quality management covering the entire product life cycle, strict quality audits, and quality culture construction, it is committed to pursuing excellent quality, continuously exceeding customer expectations, and ensuring product quality and safety.



Impact, Risk and Opportunity Management

Quality Management Covering the Entire Product Life Cycle

The Company has implemented a comprehensive quality management system to ensure quality control in all stages of the product life cycle. From raw material screening to production management, and then to finished product inspection, each stage is strictly designed and rigorously supervised to guarantee superior product quality.









Finished Product Management



03

Quality Management Process covering the Entire Product Life Cycle



- Supplier Management and Specification Guidance: The Company formulates the Supplier Management Control Procedure, clarifying supplier qualification review, quality evaluation methods and standards, etc. By signing the Quality Agreement with key suppliers, it strengthens the quality control of suppliers to ensure the stability and reliability of their supply.
- Raw Material Inspection and Management: The Company develops operating procedures and technical standards for raw material procurement inspection, such as the *Incoming Inspection Operating Procedures* and *Guidelines for Inspection Operation of Raw* and *Auxiliary Materials*, to clarify inspection methods, standards, and processes.
- Higher Requirements for Incoming Material Quality: The Company optimizes the control standards for incoming
 materials, and refines the requirements for quality and environmental protection. It strengthens quality audits of,
 training for and communication with suppliers to improve the quality management level of suppliers.



- System Specification and Standardization Process: The Company establishes a system that covers the entire production process, including the *Product Manufacturing Control Procedure*, *Production Process Control Procedure*, and *General Specification for Product Inspection*, to clarify the quality, operation, and inspection standards in production.
- Process Inspection and Correction: The Company implements quality control measures such as first article inspection
 and process inspection in the production process to find and rectify quality problems in the production process in a
 timely manner.
- Identification and Traceability Management: The Company establishes the Identification and Product Traceability
 Management System to manage the identification and traceability of production materials to ensure that the production information can be traced.
- Informatization and Intelligent Construction: The Company advances the informatization and intelligence of production, and realizes real-time monitoring and data analysis. This ensures precise control over production activities, facilitates the rapid identification of areas requiring improvement, and enhances the optimization of quality control.



- Standardization of Finished Product Inspection: The Company develops inspection standards and operating procedures for finished products based on national standards and the *internal Finished Product Inspection Operation Guidebook*. It also introduces advanced testing equipment to improve detection accuracy.
- Management of Non-Conforming Products: The Company lays out the Non-Conforming Product Control Procedure, which defines the management requirements for the identification, documentation, assessment, isolation, and disposal of non-conforming products. The Company enforces classified and graded reviews and approval and disposal by dedicated personnel, to ensure effective control over non-conforming products.
- Statistical Analysis and Continuous Improvement: The Company conducts statistical analysis of finished product
 defects, develops improvement measures for addressing quality issues, and continuously optimizes product quality.
 Meanwhile, the accuracy of testing results is further verified through methods such as internal blind sample testing
 and sample spot checks.
- Product Recall and Adverse Event Management: A comprehensive product recall system has been established. For
 instance, Yeso-med formulates the Advisory Notice and Adverse Event Control Procedure and the Adverse Event
 Reporting and Recall Control Procedure and other documents to standardize adverse event management and ensure
 the safety of products circulating in the market.



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Case

Canmax Ultra Clean Laboratory Successfully Passes the Electrostatic Discharge Association (ESDA) certification

As per Section 7.3 of ANSI/ESD S20.20 standard, all anti-static items selected for use must be imported in accordance with the relevant STM (standards). Canmax Ultra Clean has successfully passed the "Product Qualification Laboratory Certification" under the guidance of the Electrostatic Discharge Association (ESDA), which can carry out product certification measurement of materials and anti-static items commonly used in electrostatic discharge (ESD) control system.

The laboratory has a variety of testing and analysis equipment, which can provide comprehensive material testing and analysis, encompassing product cleanliness and chemical analysis testing, micro-contamination control and ESD performance testing, material analysis and characterization, failure analysis and other testing items, and its technical strength in the field of ESD control has reached international leading standards.



ESDA certification of Canmax Ultra Clean

Quality Audit

In accordance with ISO 9001, IATF 16949, ISO 13485 and other international quality management system standards and relevant laws and regulations, the Company conducts annual internal audits of product quality to ensure that the quality management operation meets the requirements of the system. The audit results form a written report, which is an important input to the management review. Improvement measures are formulated for identified non-conformities to ensure closed-loop correction and continuous improvement. During the reporting period, all subsidiaries completed internal audits as planned, and all problems found were effectively rectified.



Quality Culture Construction

The Company enhances employees' quality awareness by the implementation of quality management theme training, "Quality Month" series of activities and other forms, encourages all employees to actively engage in quality management practice, thereby collectively promoting the continuous improvement and enhancement of product quality.



Canmax Ultra Clean Wins the Honorary Title of "Brand Enterprise of Anti-static Equipment Manufacturing in China"

In accordance with the Notice on Working on the Construction of Industrial Quality Brands promulgated by the Ministry of Industry and Information Technology and relevant requirements, after rigorous evaluations, 7 products declared by Canmax Ultra Clean, including ESD Control and Cleanroom overalls, ionic static eliminators, and dust-free wipes, which are of relatively high popularity and social reputation in the industry, passed the inspection and review of relevant national anti-static product quality supervision and inspection institutions. As a result, Canmax Ultra Clean was conferred the honorary title of "Brand Enterprise of Anti-static Equipment Manufacturing in China."



Canmax Ultra Clean's Honorary Title of "Brand Enterprise of Anti-static Equipment Manufacturing in China"

Quality Culture Construction Activities

Quality Improvement Activities



• Carrying out proposal improvement activities: The Company encourages all employees to engage in waste identification and optimization throughout the entire process and cycle, while propelling continuous improvement.

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- Forming quality control circles (QCCs): Through self-management and collaborative teamwork, collective wisdom is harnessed to solve on-site problems and enhance the level of quality management.
- Implementing Lean Six Sigma project: The Company conducts Six Sigma projects, introduces Six Sigma tools and technologies, establishes a process-centered management framework, relies on data analysis to support decision-making, and achieves process optimization.

Quality Training



- Internal training: Each business department conducts specialized training for different personnel groups according to their business characteristics, including special training on quality awareness, quality tools, product testing, and inspection operations.
- External training: The Company irregularly invites external experts to provide professional training sessions focused on
 quality system management and quality skill improvement, so as to expand employees' horizons and reinforce their
 professional competencies.

Quality Culture Activities



- All-staff quality culture: The Company promotes quality culture through diverse forms, including regularly disseminating quality knowledge, organizing knowledge competitions, and quality essay-writing activities to drive all employees
 to engage in quality management.
- Quality rewards: The Company regularly conducts quality selection activities and gives recognition and rewards to
 employees who demonstrate exceptional performance in quality work.

Case

"Quality Month" Campaign of Lithium-ion Battery and Medical Divisions

From September to November 2024, Lithium-ion Battery and Medical Divisions conducted the campaign focused on quality improvement and skills competition. The Lithium-ion Battery Division commended "Quality Models", "Outstanding Quality Teams", and "Improvement Star Teams" through quality knowledge competition, essay writing, special inspections, and selection of quality models. The Medical Division enhanced the operation level and production efficiency of employees through six skill- based competitions, such as pipe connection and wrapping, pipe adhersion, and so on.

The "Quality Month" campaign affirmed individuals and teams that demonstrated exceptional performance in quality work, and effectively stimulated the enthusiasm of all employees for advocating quality and pursuing excellence, laying a solid foundation for improving the product quality of the Company and the skill levels of employees.





Tyeeli (Yibin) "Quality Month" Campaign

Yeso-med "Quality Month" Campaign

Indicators and Targets

All subsidiaries of Canmax formulate their own product quality management targets every year, covering key performance indicators (KPIs) such as process yield rate and first-pass rate of finished products, so as to strengthen the internal quality management system. At the same time, the Company integrates product quality targets into the employee KPI assessment system, encouraging employees across all positions to participate in quality management and improvement and gradually building a quality management responsibility mechanism for all employees.

During the reporting period, each subsidiary successfully attained its established product quality targets. The Company strictly adhered to all relevant laws and regulations concerning product quality and safety, resulting in no penalties imposed by regulatory authorities for non-compliance and no instances of product recalls.

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O Customer Service Management

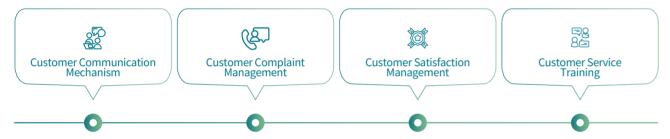
Governance

Adhering to the customer-oriented concept, each division of the Company has established a dedicated sales department responsible for coordinating and managing customer service. Through the collaboration with quality assurance, production technology, warehousing and logistics and other related departments, it ensures the efficient operation of every link from product development to delivery, thereby committing to delivering exceptional service experience to customers.

According to their respective business operation models and sales strategies, each division establishes a customer service management system covering pre-sales, in-sales and after-sales, including Sales Management System, Sales Contract Management System, Customer Satisfaction Management System, Customer Service Management Specification, Customer Complaint Control Procedure, etc., to standardize the customer service management workflow.

Strategy

The Company adopts strategies such as improving customer communication mechanisms, optimizing customer complaint management, reinforcing customer satisfaction management, and conducting customer service training to establish an excellent service experience in all aspects.



Customer Service Management Strategies

Impact, Risk, and Opportunity Management

Customer Communication and Complaint Handling

The Company establishes diversified communication channels, covering telephone, email, on-site communication, regular follow-up visits, and market research, etc., to ensure a prompt response to customer needs. It continuously refines products and services based on customer feedback with the aim of delivering an exceptional customer experience.

In addition, the Company continuously optimizes and expands sales channels to enhance market share and customer satisfaction. The Lithium-ion Battery Division has specially implemented a "1-2-6-24" real-time response mechanism to ensure that customer demands are internally transmitted in time and resolved at quickly as possible and further streamline the process and enhance efficiency.



The Company places significant emphasis on customer feedback and complaints. It enacts management systems such as the *Customer Complaint Management Procedure* to ensure efficient response and proper handling of customer issues. During the reporting period, the Company's customer complaint handling rate reached 100%. To standardize the complaint and return handling processes, the Ultra-Clean ESD Division formulated formulated the *Customer Complaint and Return Handling Specification*. This document clearly delineates the responsibilities of each department in customer complaints and return handling to improve customer satisfaction.

Customer Complaint Handling

- > The business department documents customer complaints, fills out a "Customer Feedback Form", and then submits it to the Quality and Technology Department;
- > The Quality and Technology Department initiates a "Customer Complaint Handling Form" and distributes it to the responsible department;
- > The responsible department is required to complete the cause analysis within the specified time, puts forward emergency countermeasures and provide a formal response;
- > The business department provides feedback regarding the handling outcomes to the customer, and the Quality and Technology Department supervises the rectification and verifies its effectiveness.

Customer Return Handling

- > The business department receives return applications and fills out a "Return Review Form".
- > The Quality and Technology Department inspects the returned products, reviews them, and disposes of them according to conclusions;
- > Relevant departments execute return, rework, additional work and other operations in the ERP system based on the review feedback;
- > The Quality and Technology Department tracks and confirms the implementation of returns.

Customer Satisfaction Management

Each subsidiary of Canmax sets customer satisfaction targets, and regularly conducts customer satisfaction surveys on product quality, timeliness of exception handling, professional ability of sales personnel, and accuracy of information communication. By gaining insight into the real needs and feelings of customers, the Company continuously refines product features and service levels to meet customer expectations.

Customer Service Training

To continuously optimize customer service capabilities, the Company conducts customer service training with different themes for employees in relevant positions. The training content emphasizes critical areas such as customer communication skills, problem-solving abilities, and after-sales support processes, aiming to comprehensively enhance employees' professional competence and service awareness.

Indicators and Targets

Each subsidiary of Canmax formulates an internal management target every year, encompassing the number of customer complaints, on-time delivery rate of finished products, customer satisfaction. During the reporting period, the customer service management targets set by all subsidiaries successfully attained.



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Chemicals Management

Canmax strictly abides by the Regulations on the Safety Management of Hazardous Chemicals, and each subsidiary formulates and continuously updates the Safety Management System for Hazardous Chemicals, Safety Management System for Precursor Chemicals and Public Security Management System for Hazardous Chemicals Prone to Explosion according to its specific production conditions and requirements. As a chemicals safety management body, the Work Safety Committee is tasked with formulating and supervising the implementation of relevant chemicals management policies and procedures.

To minimize potential impacts on the environment and health, the Company regularly identifies and records all chemicals used, and establishes a comprehensive inventory of chemicals. The main hazardous chemicals include the following:

Main Hazardous Chemicals		
Lithium-ion Battery Division	Sulfuric acid, sodium hydroxide solution, orthophosphoric acid, carbon dioxide (liquefied), ammonia solution (containing ammonia>10%)	
Ultra-Clean ESD Division	Ethyl acetate, isopropanol, propane, butane, alcohol, methyl methacrylate, etc.	
Medical Division	Ethyl acetate, ethylene oxide, xylene, isopropanol, etc.	

Full Process Management for Chemicals

The Company formulates full process control measures for chemicals management, encompassing critical stages such as purchase, storage, and use, while enhancing management in a standardized and normalized manner through a series of rules and regulations such as the *Management Specification for Purchase*, *Storage and Use of Chemicals*, and *Specification for Chemicals Cabinet Use*.





A department is required to fill in the *Purchase Application Form*, clarifying the purpose of the chemicals, and it makes the purchase after the completion of review and approval;

The Company controls the purchase quantity of easily-made toxic and explosive chemicals;

 $The Company \ reviews \ the \ qualifications \ of \ hazardous \ chemicals \ suppliers, \ and \ provides \ relevant \ licenses \ and \ the \ latest \ Material \ Safety \ Data \ Sheet \ (MSDS) \ as \ required.$



 $Chemicals \ are \ required \ to \ set \ up \ lists \ and \ ledgers. \ The \ Company focuses \ on \ monitoring \ the \ subsidiaries \ involving \ hazardous \ chemicals \ and \ easily-made \ toxic \ and \ explosive \ chemicals, \ and \ strictly \ controls \ the \ storage \ limit;$

The Company standardizes the management of the storage sites and storage conditions of hazardous chemicals, keeps the places cool, ventilated and dry, and stores chemicals of different properties in a classified manner;

The storage sites are equipped with emergency supplies such as eyewashes and anti-leakage equipment, and a designated individual is responsible for the management of the chemicals warehouse, and the quantities and the environment conditions of chemicals are checked and recorded every day.



 $The Company \ establishes \ a \ requisition \ form \ for \ chemicals, and \ adopts \ a \ management \ of \ "two-person \ receiving \ and \ dispatching, two-person \ requisition";$

When chemicals are used, employees must wear appropriate personal protective equipment for standardized operations. The place of using chemicals must be free of smoking and open flames, where ventilation must be maintained, and explosion-proof electrical appliances must be utilized for electrical equipment.

Case

Safety Management Practice in the Hazardous Chemical Tank Farm Area of Tyeeli (Meishan)

Responding to the requirements of national standards, Tyeeli (Meishan) uses swivel joints to unload concentrated sulfuric acid and liquid alkali, and installed safety notice boards, occupational hazard notice boards, and safety warning signs in the tank farm area. At the same time, it carries out anti-corrosion treatment on the tank farm ground. The operators strictly implement the patrol and shift handover systems.

In addition, emergency facilities and fire extinguishing equipment are equipped for hazardous chemical vehicles entering the tank farm. Motor vehicles are installed with flame arresters. It is strictly prohibited to park or repair in the tank farm area. All personnel entering the tank farm area are equipped with personal protective equipment as stipulated.

In 2024, Tyeeli (Meishan) introduced an intelligent environmental protection and safety information platform. Through electronic fences and real-time alarm functions, it realized the informatized supervision of tank farm operations and significantly enhanced the overall level of safety management.



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Chemicals Process Management

Risk identification and assessment of chemicals management are key priorities for the Company, especially the key risks associated with unloading hazardous chemicals, pipeline leaks, chemical leaks in the analysis room, and storage and retrieval operations of hazardous waste. During the reporting period, based on the Likelihood, Exposure, Consequence (LEC) method and the Likelihood, Severity (LS) risk matrix method, Tyeeli (Meishan) actively engaged employees in the process of risk identification and evaluation, thereby establishing targeted risk classification and control measures. Canmax Ultra Clean participated in the "Zhongxin Cup" campaign for the collection of standardized safety manuals featuring "One List, One Card" at the enterprise frontline level, identified the risks for various positions, and made safety notification cards in multiple formats to strengthen chemicals safety management.

The safety and environmental departments of all subsidiaries conduct regular inspections to identify potential hazards and ensure the safe use and storage of chemicals. The hazardous chemicals registration ledgers and safety data sheets (SDS) are reviewed annually to guarantee data accuracy and completeness. In strict accordance with laws and regulations, the Company submits public security filings for easily producible drugs and explosive chemicals, and uploads the material feeding and receiving information via systems. In addition, the Company implements dual management measures in five aspects (with two persons sending and receiving, record-keeping, locked storage, transportation, and use of chemicals simultaneously), along with regular temperature and humidity checks.

The Company has established emergency plans to clarify emergency response measures for leakage incidents, fires, chemicals exposures to eyes, and other incidents. It regularly conducts training themed chemicals safety to help employees acquire a thorough understanding of properties of hazardous chemicals and emergency handling methods in the production process, thereby reducing the risk of occurring chemicals incidents. Meanwhile, the Company regularly organizes emergency drills on topics such as chemicals leakage, allowing employees to proficiently master the skills of responding to chemicals safety emergencies in practice and further enhance their emergency response capabilities.

The Company has established an emergency consultation hotline for chemicals incidents to provide internal employees and external stakeholders with preliminary guidance on handling emergencies such as chemicals leaks, fires, and explosions. This helps to mitigate dangerous situations promptly and minimize accident losses.

Reduction of Chemicals Usage

To reduce the usage of hazardous chemicals, the Company prioritizes the use of non-toxic, easily degradable, and recyclable materials in the R&D and design stages, and continuously reduces the amount of chemicals used by optimizing testing methods to minimize potential impacts on the environment and human health. The Company entrusts a third-party agency to conduct hazardous substance testing on raw materials and products every year. During the reporting period, all products of the Lithium-ion Battery Division were in compliance with RoHS standards and EU REACH standards.

Specific Measures to Reduce the Consumption of Chemicals

Туре	Measures
Optimization of Testing Methods	Tyeeli (Yibin) has adopted the spectrophotometric method instead of the potassium dichromate titration method to achieve zero mercury discharge. Furthermore, in the detection of silicon, the inductively coupled plasma (ICP) spectrometry analysis method has been adopted to replace the ammonium molybdate acetone colorimetric method, achieving zero acetone discharge;
	Tyeeli (Meishan) has improved the product detection methods. During the course of phosphate root test, the use of urea has been entirely avoided, and the test time for a single sample shortened by 30 minutes;
	Tyeeli (Meishan) has modified the testing method for sulfate radicals in samples. Instrumental analysis is used instead of volumetric analysis, which improves the detection accuracy while reducing the consumption of anhydrous ethanol;
	Tyeeli (Fengxin) has modified the detection methods for sulfate radicals in lithium carbonate products and process samples. The turbidimetric method and carbon sulfur instrument testing have been replaced with ICP testing, reducing the use of hydrochloric acid and other reagents, while improving testing speed and accuracy;
	Tyeeli (Fengxin) has optimized the detection method for fluorine in excipients. The original steam distillation separation method is upgraded to the ion selective electrode method. The new method eliminates the need for reagents such as perchloric acid, silver nitrate, and acetone, reducing environmental pollution, while reducing the testing time of a single sample to 2 hours, significantly improving detection efficiency.



Employment and Employee Rights

Canmax strictly abides by laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and continues to improve its human resources governance structure. Under the guidance of the Group's Administration Team (AT), the Group's Human Resources Center leads human resources departments of various divisions and subsidiaries to carry out various work, promote the cultivation, introduction, and retention of talents in the Company. This ongoing effort aims to optimize talent management practices and enhance the overall efficiency of the Company's talent organization. Based on the standardized institutional system of the Group, each business segment formulates specific management systems according to its own operational situation, and carries out targeted employee employment management.

The Company has established comprehensive systems such as the Recruitment Management Measures, Labor Contract Management Measures, and Employee Communication and Feedback Management Measures, covering the entire process from recruitment to resignation, ensuring that employee rights are fully protected, while improving the operational efficiency and employee satisfaction of the enterprise.

The Company has established a democratic deliberation platform that encompasses all levels of management from the Group's Headquarters, divisions, and subsidiaries. Regular business and personnel decision-making meetings are held monthly. Human resources policies are reviewed through democratic decision-making, aiming to ensure that management at all levels can promptly and accurately understand the Company's operations and employee status. Through sound supervision procedures and measures, problems can be identified and corrected promptly to ensure the effectiveness of various systems.



Canmax remains committed to refining the protection mechanism for employment and employee rights, improve management methods, and ensure the efficient operations across all business stages by improving the management level. In addition, the Company strengthens resource integration and internal control, prioritizes employee benefits and career development, especially in the stage of rapid development, and vigorously hires and cultivates all kinds of talents in management, technology and marketing to further enhance its competitiveness.

Employee Employment Management

Adhering to the principles of legality and compliance, equal opportunity, fair competition, and merit-based selection, the Company has formulated the Recruitment Management Policy. This policy aims to ensure equal opportunities in the recruiment process while preventing discrimination based on ethnicity, race, gender, religion, or other factors. The Company resolutely prohibits child labor and forced labor, ensuring compliance through rigorous screening and daily management. In addition, any form of harassment or discrimination is explicitly forbidden, guaranteeing equal and dignified treatment for employees and job applicants during recruitment and employment.

In 2024, the Company reported no cases involving child labor or forced labor, nor any legal violations related to employee recruitment, termination, compensation, promotions, working hours, leave, or other labor standards. The SA 8000® Social Accountability Management System certification for Tyeeli (Yibin) of the Lithium-ion Battery Division remained valid, and the division successfully passed two supervisory audits during the reporting period.

Employee Rights and Benefits

Integrity as the Foundation

Compliance for the Long Run

In addition to fulfilling the statutory obligation to make social insurance contributions (providing employees with complete protection of five insurances and one housing fund), the Company also builds a robust benefit system. It organizes various cultural and sports activities to promote harmonious integration between employees' work and personal life, enhance team cohesion, and foster a sense of belonging among employees.

Acting Ethically to

Employee Benefits System



Statutory Benefits

The Company provides social insurance, housing provident fund, and statutory holidays, among other benefits.

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Daily Benefits

The Company provides a range of daily benefits, including annual health check-ups, supplementary medical insurance, commercial insurance, and welfare-related subsidies.



Cultural and Sports Activities

A variety of cultural and sports activities are provided, including company annual meetings, knowledge contests, fun sports meetings, basketball matches, festival cultural activities, reading clubs, etc. Employees can also participate in various interest groups, such as basketball teams, football teams, calligraphy groups, art troupes, etc.

The Company safeguards the basic rights and benefits of its employees and supports them in achieving a healthy work-life balance. During the reporting Period, a total of 233 employees took maternity/paternity leave. In addition, the Company also provides benefits such as commuting shuttles, meal benefits, accommodation services, fitness facilities, birthday and anniversary celebration activities, continuously creating a caring, positive working and living environment for employees.

Cultural and Sports Activities Conducted in 2024 (Partial)

Lithium-ion Battery Division

Tyeeli (Yibin) held the third sports event, setting up events such as rope skipping and tug-of-war. Prizes were awarded to enhance employees' cohesion;

Tyeeli (Meishan) organized the Mid-Autumn Festival event, integrating games such as guessing lantern riddles into the corporate culture and enhancing employees' recognition of corporate culture.







Tyeeli (Meishan) Mid-Autumn Drama

Fun Sports Meeting Held by Tyeeli (Yibin)

Ultra-Clean ESD Division

Canmax Ultra Clean held the third recreational sports event. In conjunction with fitness, fun, and teamwork, the event enhanced team cohesion and fostered a positive corporate culture;

Canmax Ultra Clean organizes "Employee Birthday Banquets" for front-line production employees on a monthly basis, including interactive games, birthday cake sharing, and birthday gift distribution.





Canmax Ultra Clean Fun Sports Meeting

Canmax Ultra Clean Employee Birthday Banquet

Medical Division

Yeso-med held the "Enjoying Happy Lantern Festival, Gathering Strength for New Journey" event to celebrate the Lantern Festival and enrich the cultural life of employees;

Yeso-med held the sixth team PK competition, encompassed production, innovation, and energy conservation sectors. All employees were encouraged to participate in the competition to build a cross-departmental collaboration platform.





Enjoying "Happy Lantern Festival, Gathering Strength for New Journey" event of Yeso-med

Team PK Competition of Yeso-med



The Company has established an employee mental health support program, a care program dedicated care initiative for female employees, and a mechanism to assist employees in difficulty. It is committed to fostering a work atmosphere full of humanistic care. In 2024, the Tyeeli (Fengxin) Trade Union Committee was awarded the honorary certificate of "Model Worker's Home" by the Yichun Municipal Federation of Trade Unions.

Employee Care System



Routine Care

- The Company launches the cool summer and warm winter campaign for front-line workers;
- The Company holds care campaigns for the staff of ethnic minorities and retired soldiers;

Acting Ethically to

Drive Green Progress

- The Company offers employees care during the Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and other festivals;
- The Company organizes campaigns such as sending care to employees during their onboarding anniversaries and birthday parties;
- The first "Employee Children's Sailing Scholarship" was awarded to employees' children who passed the 2024 National Unified College Entrance Examination and admitted to full-time undergraduate colleges, benefiting a total of 32 families.



Mental Health Care

• Psychological assistance and mental health training are offered to the employees to demonstrate concern for their mental health.



Care for Female Employee

- The Company provides equal development opportunities for female employees;
- The Company provides pregnant female employees with specifically prepared meals;
- The Company implements a flexible attendance system, offering amenities such as lactation rooms and breastfeeding leave. Paternity leave is also provided for male employees to support a healthy work-life balance;
- To celebrate International Women's Day, the Company holds activities such as watching movies and hiking excursions, and prepares festival benefits and half a day of paid leave for all female employees.



Help for Employees in Difficulty

• The Company enacts the *Management Measures for the Support of Employees in Difficulty*, establishes the Love Foundation, and provides financial assitance for employees facing hardships.

Employee Communication

The Company is dedicated to establishing an equal and transparent communication platform. It applies an open dialogue mechanism, sets up employee opinion boxes, organizes regular grass-roots employee forums, staff and workers' congresses and trade union activities, and conducts employee satisfaction surveys. With diversified interaction channels, the Company listens to the voices of its employees and gains insights into the needs of its employees.

Employee Communication Channels

Open Communication

Employees can raise issues of concern or suggestions to the Company through phone or in-person communication. The Company advocates that employees first communicate with their immediate supervisors. If the issue is related to the immediate supervisor or unresolved, it can be escalated progressively to higher levels of management, including senior leadership if necessary.

Employee Suggestion Box

The Company encourages employees to provide feedback and opinions via official communication channels such as email and WeChat official account. Employees can submit matters of concern or suggestions anonymously to ensure that their demands are fully expressed and valued.

Staff and Workers' Congress and Trade Union

The Company has established a staff and workers' congress and trade union to ensure that all regular employees join the trade union, safeguard their four basic rights (rights to be informed, participate, express opinions, and conduct supervise), and promote democratic corporate management:

The Group and each of its subsidiaries hold at least one staff and workers' congress each year to widely solicit opinions and promote employees' engagement in the Company's operations. In 2024, a total of 239 employee representatives participated in the congress.

Employee Satisfaction Survey

The Company has implemented the Employee Communication and Opinion Feedback Management Measures and sets up suggestion boxes for employees to anonymously provide feedback. On a weekly basis, a dedicated individual is responsible for collecting this feedback and implementing targeted improvements:

The Company made satisfaction surveys for employee benefits, guarantees, safety, facilities, canteens and dormitories etc.

For suggestions proposed by employees, the Company optimizes measures, such as implementing self-service dining, planting organic vegetables, adjusting dishes, installing elevators in dormitories, and adding cooling devices in parking lots.

Indicator	Annual Target	Achievement Status
Number of complaints on workplace discrimination, harassment, child labor, and forced labor	0	Achieved
Frequency of employee surveys or seminars organized by each subsidiary	At least once	Achieved
Coverage rate of employee satisfaction survey	100%	Achieved

About Sustai

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Win-Win Development with Strategic Partners

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Talent Training and Development

Governance

Canmax strictly complies with the *Vocational Education Law of the People's Republic of China* and local laws and regulations, and continues to improve the management structure of talent training and development. Talent training and development centrally oversees the Group's Human Resources Department, with each division organizes the development of key position talent pipelines. These efforts are aimed to promoting the cultivation, recruitment, and retention of talent, and to continuously optimize talent management across the Company. For further details, please refer to the "Recruitment and Employment" section of this Report.

Strategy

The Company always regards talent employment and cultivation as the core driving force for its high-quality development, implements an "employee-centric" talent development training strategy, and builds a comprehensive talent selection, training, and development system by focusing on the talent pipeline for key positions. Through systemic training programs, the Company enhances employees' professional skills and overall competencies. At the same time, the Company empowers its core leadership team, refines incentive mechanisms, and fosters symbiotic growth between employees and itself to achieve long-term, win-win development.

Impact, Risk, and Opportunity Management

Talent Echelon Construction

The Company has established a diversified recruitment channel system to attract various types of outstanding talents through the integration of online recruitment platforms, offline job fair resources, campus recruitment activities and internal employee referrals, injecting vitality and innovation into the Company's sustainable development.

Recruitment Channels

Online Recruitment

The information regarding job opportunities is disseminated on the Company's We-Chat official account, social media and professional recruitment websites.

Job Fair

Recruitment personnel are arranged to attend job fairs.

Campus Recruitment

We attract fresh graduates to participate in school-enterprise collaborations through campus recruitment methods such as school lectures and dual-selection fairs.

Internal Referral

The Company lays out incentive measures to motivate employees to recommend qualified talents.

Internal Job Transfer

The Company selects appropriate candidates from existing employees to fill vacant positions, encourages its employees to grow together with it, and prioritizes internal employees when job vacancies arise.

Other Recruitment

The Company fosters good relationships with local governments, and spreads recruitment channels through publicity platforms of local communities.

The Company establishes a talent pipeline framework centered on key positions through key position identification and assessment of A and B roles, adopting a top-down approach. Based on comprehensive evaluations from multiple dimensions such as capabilities, job grades, and department importance, it precisely determines requirements for key positions. The Company supplements the talent reserve through external recruitment or hiring external consultants. For reserve talents, the Company conducts phased training to ensure the stability and continuity of the talent reserve for key positions. In 2024, the Company identified a total of 241 key positions, with 211 A-role talents and 155 B-role talents.

To continuously attract high-caliber talents, the Company proactively expands recruitment channels, utilizing multiple means such as online recruitment websites, social media, campus recruitment fairs, and school-enterprise cooperation to continuously improve recruitment efficiency. Each subsidiary negotiates with local universities to hire outstanding graduates and promote the integration of industry and education, covering multiple provinces such as Jiangsu, Sichuan, and Jiangxi. In 2024, the Company participated in the job fairs and promotional events of 14 universities.



Developing New Quality Productive Forces through the Integration of Industry and Education

In April 2024, Yeso-med established the "Zhejiang University - Yeso-med Plasma Joint Research Institute" with Zhejiang University. Through the joint efforts of both sides, the joint research institute will focus on research and innovation in the field of plasma medical treatment, explore a new model of trinitarian development of "education, science and technology, and talents", and provide critical support for overcoming "bottleneck" technologies in the medical device field.



Signing Ceremony of Cooperation Agreement for Zhejiang University - Yeso-med Plasma Joint Research Institute

Employee Training System

The Company places significant emphasis on talent development and closely combines business needs with employees' capability improvement needs at different career stages to build a multi-level training system covering product, production, quality, management and other fields, empowering employees continuously improve their professional skills and comprehensive qualities.

General Purpose Competence

The Company implements new employee onboarding training and probation evaluation management to ensure that all new employees receive training, helping them integrate into the Company quickly;

The Company regularly conducts general knowledge training on corporate profiles, information knowledge, policies and regulations, etc.

Special Purpose Competence

The Company sets up courses on professional skills for multiple departments such as process, automation, quality, testing, safety and environmental protection, logistics, procurement, finance, so as to enhance the professional competencies of employ-

The Company provides support such as vocational skill incentives, self-directed learning for professional title attainment, and qualification certification training based on the needs of employees to enhance their special-purpose competence.

Leadership

The Company conducts structured leadership development programs at various levels, such as middle and senior level strategic leadership, blue collar skills, lean management and reserve talent training, so as to enhance the leadership of the management team, cultivate potential leaders, and build a team with excellent leadership.

In 2024, Canmax continued to intensify investment in training, with an annual training cost of surpassing RMB820,000. The company organized over 150 training sessions, with a training coverage rate of 100%. Concurrently, the Company focused on the cultivation of talents for key positions, the strategic ability training for middle and senior executives and the technical and business empowerment training for middle-level and basic-level positions, to continuously improve the comprehensive quality and business capabilities of the core team and provide solid talent support for the Company's high-quality development.

Implementation of Employee Training in 2024 (Partial)

General Purpose Competence



Tyeeli (Yibin) organized the inaugural induction training for fresh graduates and developed a systematic fresh graduates

Special Purpose Competence



The Company conducted the "Lean Six Sigma Green Belt + Yellow Belt" training. Adopting offline lectures, the training systematically explained the five major stages of DMAIC and yellow belt management. The training was held on a monthly basis, giving priority to covering employees with core positions such as technology, production, and quality. A total of 92 employees participated in the training. The trainees were assessed through project-based practice and written examinations. Finally, 16 trainees obtained the green belt certification, and 2 excellent trainees and 2 excellent projects stood out.

Leadership



The Company carried out the Huaying class training for the management in the form of online lectures. Focusing on strategy and operation, organization and human resources, the training aims to enhance the management team's understanding and execution of the Company's strategy. The training, comprising 16 courses, was held 2-3 times per month, each lasting 1-2 hours. The program targeted the Group-Level EMT/AT, various levels of ST/AT, and the core management of each division, with a total of 112 trainees participating.

The Company continuously refine and expands its employee training system while fostering and empowering internal trainer team. Through strict selection, training, assessment, and incentive mechanisms, it creates a high-quality internal training team. The selection of internal trainers is targeted at employees who are dedicated to work, have excellent performance, and outstanding business skills and expression abilities. They are divided into junior, intermediate, and senior levels. The process includes departmental nominations, self-recommendations, review and assessment, training by external experts, and general manager approval to ensure that internal trainers have professional qualities. In 2024, the entire Group cultivated and certified 51 internal trainers.

Canmax Lean Management Green Belt Training Program

Acting Ethically to

Drive Green Progress

In June 2024, Canmax held the kick-off ceremony for the Lean Management Green Belt training. To align with the Group's strategic plan, the Company has advanced the construction of a lean management system, aiming to promote the improvement of production efficiency and product quality.

This training is the Company's inaugural special training on Lean Six Sigma conducted at the Group level, with 40 trainees participating in the Green Belt course. The training focuses on the learning effectiveness and practical implementation capabilities of the trainees, profoundly integrates theoretical knowledge with practical applications, and provides substantial support for the attainment of the Company's lean management goals.



Integrity as the Foundation

Compliance for the Long Run





Win-Win Development

with Strategic Partners



2024 Environmental, Social

and Governance Report

Tyeeli (Yibin) Sub-venue

Tyeeli (Meishan) Sub-venue

Tyeeli (Fengxin) Sub-venue

Yeso-med Sub-venue

The First "Training the Trainer to Train" by Tyeeli (Yibin)

In 2024, Tyeeli (Yibin) successfully held its inaugural "TTT (Training the Trainer to Train)" internal trainer training program, marking significant progress made by the Company in the construction of internal talent cultivation and training system. The main purpose of the training was to enhance the professional literacy and teaching abilities of internal trainers, enabling trainees to master the three core skills of "preparing, directing, and performing" and gain an in-depth understanding of the role recognition and professional qualities of trainers. The training was delivered by a team of seasoned instructors, ensuring the practicality and relevance of the content through systematic instruction.

During the three-day, two-night training, trainees engaged actively in learning activities and acquired knowledge transfer and teaching skills through multiple course designs and trial lectures, resulting in a significant improvement in their teaching competencies. The training not only cultivated a group of excellent reserve trainers but also laid the foundation for the improvement of the Company's training system.



"TTT Training" by Tyeeli (Yibin)

The Company collaborates with external professional organizations to offer customized training courses. They cover specialized support initiatives such as enhancing management of senior executives, improving professional skills, cultivating safety skills, and strengthening vocational expertise, to provide solid career development backing for all employees.

External Training Mechanism

High-end Management Enhancement

We select and senior executives to participate in the EMBA program of China Europe International Business School to conduct systematic high-end management learning, covering business management knowledge and cutting-edge concepts such as corporate strategy, financial management, marketing, human resource management, and so on;

In 2024, a total of 2 senior executives participated in the EMBA program of China Europe International Business School.

Safety Skill Cultivation

We organize training for fire facility operators, including practical skills such as the operation, maintenance, and troubleshooting of fire facilities, as well as fire safety theoretical knowledge. This initiative aims to enhance employees' fire safety operation skills.

Functional Professional Training

The Company offers professional training in functional areas such as finance, human resources, strategy, and lean management at the Group level.

Promotion and Performance Management

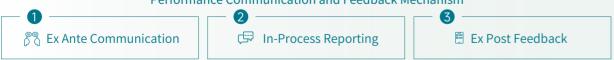
The Company is committed to continuously refining its incentive and assessment system, encouraging talent retention to achieve long-term development within the company and stimulating the enthusiasm and creativity of the management team and business backbones. The Company formulates the *Management Plan for Employee Promotion* and *Salary Adjustment* to standardize the management of the nomination, process, and assessment mechanism for promotion and salary adjustment, and publicizes the results to ensure the fairness and justice of promotions and salary adjustments. In 2024, the Company trained and promoted more than 100 people, effectively ensuring and enhancing the vitality and ability of the management team.

Promotion Criteria

Dimension	Specific Requirement	
Business Management	Employees are required to possess a certain amount of work experience, professional skill certifications and assessment results, as well as strong management capabilities.	
Priority Recommendation	The Company provides priority promotion opportunities for employees who have achieved remarkable results in key areas.	
Activity Contribution	The Company gives extra recognition to employees who have made outstanding contributions in cultural construction and volunteer services.	

The Company has established a comprehensive employee performance assessment system and provides detailed assessment criteria for different positions. The management is responsible for evaluating the work outcomes of subordinates and providing timely feedback on the evaluation results to employees. If employees have objections to their performance scores, the Company advocates that they communicate with their immediate superiors first. If the problem cannot be resolved in this way, employees can initiate a mechanism for providing feedback beyond their immediate superiors, according to the process to ensure that the issue is properly handled. In 2024, the Company achieved full coverage of job performance assessments for all regular employees.

Performance Communication and Feedback Mechanism



Indicators and Targets

The Company is dedicated to enhancing employees' professional skills and occupational competencies, and has set clear talent development targets. Centering around the echelon construction of key positions, the improvement of professional skills and the cultivation of management capabilities, it has constructed a systematic, multi-level talent cultivation system.

Indicator	Annual Target	Achievement Status
Coverage Rate of Annual Employee Training	100%	100%

Occupational Health and Safety

Canmax strictly complies with relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* and *Emergency Regulations on Emergency Response to Work Safety Accidents*. Each subsidiary formulates management regulations such as the *Work Safety Responsibility System, Management System for Work Safety Accidents*, and *Governance System for Safety Inspection and Identification and Rectification of Potential Hazards*, while establishing a sound work safety management system to ensure the safety of all workplaces and prevent various safety accidents to the greatest extent possible.

The Company has set up the Work Safety Committee, which is chaired by the general manager, with the deputy general manager, director, deputy director and heads of various departments as members, tasked with collectively advancing work safety management. The committee holds regular meetings to focus on discussing and deploying major matters of work safety to ensure that safety management measures are effectively implemented. The committee has set up a safety and environmental protection department, which implements and advances the Company's EHS management system, and strengthens the responsibility of work safety.

During the reporting period, the Lithium-ion Battery Division standardized the documents categorized in the safety management systems of its subsidiaries systematically, consolidating a total of 36 special documents to improve the standardization degree of safety management across all subsidiaries.

Work Safety Management

The Company strictly implements safety production management, and creates a stable and safe working environment by carrying out regular safety meetings and inspections, emergency management, safety culture construction and other measures.

Work Safety Management Measures

Regular Safety Meetings and Inspections



We regularly organize company-level and team-level safety meetings to ensure that all employees are engaged in the discussion of the rectification for potential safety hazards at on-site workplaces and enhance work safety awareness:

Each subsidiary implements daily and monthly safety inspections in compliance with the Safety Inspection and Identification and Governance System of Potential Hazards, and irregularly invites external experts to provide inspection suggestions, implements hierarchical management of safety risks, and formulates rectification plans and supervises the implementation if potential safety hazards are identified.

Integrity Analysis of Production Safety Accidents



The Company enacts the Guidelines for Integrity Analysis of Production Safety Incidents, carries out a series of training themed Root Cause Analysis (RCA) workshops, reconstructs the safety management system through systematic thinking, finds out the "uncontrolled driving sources" behind safety incidents, and intervenes to prevent the recurrence of incidents.

Emergency Management



We establish emergency management systems and plans, conduct regular training for emergency teams, and enhance command and on-site response capabilities;

We regularly carry out emergency drills for firefighting and chemical spillage to enhance the safety prevention and emergency response capabilities of all employees;

In the event of an accident, the parties or relevant personnel should immediately take self-rescue and mutual rescue measures. For personal injury incidents, the department where the accident occurred must escort the injured to the designated hospital for treatment. The safety and environmental protection department of the base is responsible for coordinating medical treatment. In the event of a Class A accident or above, it is necessary to properly conduct on-site protection, set up a warning zone, and document any movement of objects with appropriate markings and records.

Production Safety Management



The Company implements safety management in production to ensure the safety of employees. It selects equipment materials and specifications reasonably according to risk assessment results, and conducts regular inspection and maintenance;

Some subsidiaries adopt intelligent systems to enhance safety efficiency.

All-Staff Engagement of Work Safety Management



All employees are required to sign the Safety Responsibility Commitment. The Company will integrate work safety into the salaries of the management as per assessment indicators;

We conduct a thorough review the safety qualifications of suppliers and contractors, organize safety training and management meetings, and regularly inspect the safety status and require prompt rectification of potential safety hazards.

Accident Reporting

The department where the accident occurred should submit the *Quick Report of Accident/Incident* to the safety and environmental protection department of the base within 2 hours to confirm whether the injured person meets the requirements for work-related injury declaration;

For different levels of accidents, there is a specific immediate telephone reporting process to ensure that information is conveyed quickly to the appropriate management. In cases involving severe incidents such as fires or explosions, they must be reported following a more rigorous protocol.

Safety Culture Construction



The Company advances the construction of a safety culture, develops safety training management systems, rolls out three-stage pre-job safety education for new employees and all-staff safety training, and reviews the training results to enhance employees' safety awareness;

The Company establishes a safety culture system including contests, skills competitions, training, Q&A, and other content. In conjunction with Work Safety Month, it also organizes safety promotion campaigns, such as safety video viewing, knowledge competition, fire skills competition, and so on.

About Sustainability
Annax Management

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2024 Work Safety Management Implementation Status (Partial)

Safety Mechanism

Lithium-ion Battery Division

Tyeeli (Yibin) Safety Information System has been fully operational, which includes 13 modules and achieves functions such as behavior recognition, online monitoring, and alarm. Combining GIS maps and personnel positioning, this system has been closely integrated with safety management, forming a plant-wide safety management map and achieving full-process coverage of safety and environmental protection businesses. As of the end of the reporting period, the system construction had been fully completed and put into use, significantly improving the intelligent level of safety management.

Emergency Management

Lithium-ion Battery Division

Tyeeli (Yibin) carried out a total of 150 emergency drills, comprising 143 on-site disposals, 5 specialized drills, and 2 comprehensive fire drills, covering emergencies in production and office areas;

Tyeeli (Meishan) conducted various types of on-site disposal, special and comprehensive drills and established an emergency team consisting of 31 people to regularly enhance emergency capabilities;

Tyeeli (Fengxin) carried out 27 emergency drills, including 1 comprehensive drill, 3 special drills, and 23 on-site disposal drills, covering various dangerous situations.

Ultra-Clean ESD Division

Canmax Ultra Clean conducted chemicals and hazardous waste leak emergency drills, with a total of 9 participants, including management personnel of the warehousing department and chemicals warehouse and relevant personnel from the third manufacturing department. The drills simulated the emergency process of the overturning of water-based adhesives to improve employees' emergency response and overall disposal capabilities:

Wuxi TA&A completed one emergency drill each for fire evacuation, chemical leakage, high-temperature heatstroke, and confined space accidents; Stone Tech conducted 2 fire evacuation drills to enhance employees' proficiency of emergency rescue procedures and combat methods, and to test individual and team emergency rescue capabilities.

Safety Culture

Lithium-ion Battery Division

Tyeeli (Yibin) positively promoted cultural activities, laid out monthly safety themes and released safety information daily. At the end of each month, departments were rewarded with work safety points based on their participation rate, pass rate, and average score of safety-themed examinations. Tyeeli (Yibin) organized fun activities such as occupational health and safety knowledge competitions to enhance employees' safety awareness and health management level, thereby fostering a positive and proactive safety culture environment;

Revolving around the National Work Safety Month, Tyeeli (Fengxin) completed the rectification of 24 electrical potential hazards (with a rectification rate of 100%) and proactively identified 169 potential hazards. Tyeeli (Fengxin) improved emergency skills through rolling out crane fire drills, and enhanced protection awareness by organizing knowledge competitions and expert lectures. It used banners and the MES system in building a cultural infiltration network, to drive the shift of safety awareness from "passive compliance" to "active practice" and to systematically enhance the Company's safety culture and emergency response capabilities.





Occupational Health Knowledge Competition at Tyeeli (Yibin)

Tyeeli (Fengxin) Work Safety Month Campaign

As of the end of the reporting Period, the Company propelled its subsidiaries to obtain the certificate of ISO 45001: 2018 occupational health and safety management system certification. Furthermore, Tyeeli (Yibin), Canmax Ultra Clean and Stone Tech, etc., obtained the work safety standardization (Level 3) certification.

Certified Management System

ISO 45001: 2018 Occupational Health and Safety Management System Certification

Entities Covered by the Certification

Canmax, Tyeeli (Yibin), Tyeeli (Meishan), Canmax Ultra Clean, Wuxi TA&A, Yeso-med

Occupational Health Management

Canmax complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and Measures for the Administration of Occupational Health Surveillance, and develops and implements management measures such as the Occupational Health and Safety Management System and Occupational Disease Hazard Warning and Notification Management System.

In the prevention and control of occupational disease hazards, the Company adopts the policy of "prevention first and integrating prevention with treatment", adheres to the principles of "unified leadership, implementation of responsibilities, hierarchical management, and all-staff engagement", clarifies the responsibilities of leaders at all levels, functional departments, production departments and employees for the prevention and control of occupational diseases.

Divisions	Physical Factors	Chemical Factors
Lithium-ion Battery Division	Noise, high temperature, low temperature, etc.	Lithium hydroxide, carbon monoxide, nitrogen dioxide, etc.
Ultra-Clean ESD Division	Noise, etc.	Methyl ethyl ketone, ethyl acetate, etc.
Medical Division	Noise, high temperature, ultraviolet rays, etc.	Ethyl acetate, ethylene oxide, xylene, etc.



Canmax Sustain Manag Annual

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management system to ensure its effectiveness and standardization.

Occupational Health Management Measures (Partial)

The Company remains committed to enhancing occupational health management. Through various means such as

regular detection of occupational disease hazardous factors, occupational health check-ups, and systematic occupational health and safety training, it continuously refines and improves occupational health management

measures. Furthermore, each subsidiary actively promotes the certification of the occupational health and safety

Management Measures

Specific Content

Progress in 2024

Occupational Disease Management and Prevention

We entrust qualified occupational health technical service institutions to monitor occupational disease hazardous factors in the Company and carry out self-testing simultaneously. All relevant results are disclosed.

We arrange health check-ups for identifying pre-employment, on-the-job, and post-employment occupational diseases, while implementing regular job rotations for positions with key occupational disease hazardous factors.

Tyeeli (Yibin) conducted job health check-ups, with 719 participants, while establishing thorough occupational health records. After the health check-ups were completed, it was identified that 8 employees had occupational contraindications. Subsequently, all affected individuals successfully underwent job reassignments;

Tyeeli (Fengxin) carried out pre-employment and on-the-job health check-ups, with a total of 347 participants. No occupational contraindications were found.

Daily Management of Occupational Health

The Company provides employees with labor protection articles that comply with occupational protection standards, such as dust masks, earplugs, protective gloves, and regularly checks their suitability and comfort to ensure the protection effect;

The Company sets up occupational hazard notification cards, warning signs, and displays of test results in the work area to strengthen risk warning;

The Company carries out occupational disease hazard declaration work, establishes sound occupational health files and employee health monitoring files, and realizes the systematization and standardization of occupational health management.

Tyeeli (Fengxin) invited industry experts to carry out the training titled with Labor Protection Articles Knowledge Lecture, in which all employees participated, to educate and guide employees to take correct protection measures, and enhance the ability to protect themselves.

Occupational Health and Safety Training

We conduct occupational health and safety training. The training content includes knowledge on occupational health and personal protective equipment, etc. The safety and environmental protection department assists departments with occupational hazard positions in regularly carrying out occupational health knowledge training.

Tyeeli (Yibin) carried out daily safety education and training for personnel at all levels at the Company, with a total of 716 training sessions, involving 45,456 person-times cumulatively, and the completion rate of the safety training plan was 100%;

Yeso-med organized the occupational health and safety training themed "three on-sites and five principles", with 39 employees participating. It improved the safety management level of front-line employees.

Case

Improvement of Occupational Health and Safety Training Measures at Tyeeli (Yibin)

In 2024, Tyeeli (Yibin) implemented a series of measures to improve training efficiency and optimize training methods. For instance, the single session training time was shortened from the original 2-4 hours to 30 minutes to improve learning concentration. The training materials were revised to better align with on-site practices, and training videos were produced to enhance the training effect.

Concurrently, Tyeeli (Yibin) established a training course library relying on the Smart Safety and Environmental Protection System, encompassing 109 training resources. During the Work Safety Month, it produced emergency training promotional videos, and complied training materials such as the *Employee EHS Knowledge Manual* and *Potential Hazards Atlas* to continuously improve the safety training system.

For contractors, Tyeeli (Yibin) has formulated differentiated training programs to ensure that all types of contractors possess the requisite safety awareness and adhere to operating standards.

Visitor Type Contractors Such type of contractors mainly refer to short-term suppliers and service personnel entering the factory. The training for them is short. The training content centers on factory area safety regulations, entrance and exit management requirements, and basic safety precautions.

Long-term Cooperative Contractors Such type of contractors refer to contractors that have established long-term cooperative relationships with the Company. Safety training is carried out monthly, encompassing topics such as incident and case analysis, special operation management, environment risk identification and control, etc., to strengthen safety awareness.

Labor Contractors The training content aligns with that for the Company's employees, covering occupational health, safe operation specifications, aligns hazards identification and rectification and emergency disposal, etc., to ensure strict adherence to safety management requirements in daily assignments.

Number of new



The Company has formulated a series of indicators and targets in terms of occupational health and safety, and implemented effective measures to provide employees with a safe, healthy, and dignified working environment, ensuring their physical and mental well-being.

Number of fire and Number of serious occupational diseases injuries and above explosion accidents and suspected occupational diseases Rate of rectifying Rate of achieving safety Emergency plan drill potential hazards education and training implementation rate 100 100 100Work injury rate of Rate of special operations 200K working hours personnel holding < 0.6 100certificates



O Corporate Governance

Governance

Canmax strictly abides by the Company Law of the People's Republic of China, Code of Governance for Listed Companies and relevant securities regulatory regulations, and develops management systems such as the Articles of Association, Rules of Procedure of the Board of Directors, Rules of Procedure of the General Meeting of Shareholders, and Working System for Independent Directors to ensure that the General Meeting of Shareholders, the Board of Directors and the Supervisory Board (hereinafter referred to as the "Three Meetings") effectively perform their respective duties. In conjunction with the requirements of laws and regulations and market best practices, Canmax continuously improves the professionalism and decision-making efficiency of the Board of Directors, and promotes its healthy development and the realization of value for all stakeholders.



The General Meeting of Shareholders is the highest authority of the Company, which exercises statutory functions and powers, including determining business policies and investment plans, electing and replacing directors and supervisors. At the same time, the General Meeting of Shareholders is also responsible for deliberating and approving the reports of the Board of Directors and the Supervisory Board, ensuring transparency and compliance in corporate governance.

The Board of Directors is a permanent organ of the Company, composed of 6 directors, including 2 independent directors. The Board of Directors is responsible for the business decision-making and business leadership of the Company. Being the executive body of the Company's core functions, the Board of Directors strictly implements the resolutions of the General Meeting of Shareholders. The Board of Directors is elected by the General Meeting of Shareholders and exercises its powers in accordance with the Company's Articles of Association. To ensure the effective performance of the duties of the Board of Directors and achieve scientific decision-making, the Company enacts the *Rules of Procedure of the Board of Directors* to define the responsibilities and powers of the Board of Directors and standardize the operation of internal institutions.

The Board of Directors sets up specialized committees such as the Audit Committee, Strategy and Investment Decision-making Committee, Nomination Committee, and Remuneration and Appraisal Committee. Such committees report to the Board of Directors and perform their duties in accordance with the Company's Articles of Association and the authorization of the Board of Directors, and their proposals need to be submitted to the Board of Directors for review and approval.

The Supervisory Board is composed of 3 supervisors, including 1 employee representative supervisor. The Chairman of the Supervisory Board is elected by more than half of all supervisors and is responsible for convening and presiding over the meetings of the Supervisory Board. The Supervisory Board reports to the General Meeting of Shareholders. Starting from protecting the interests of shareholders, it earnestly performs its supervisory duties and supervises the material matters, financial status of the Company, as well as the legality and compliance of the performance of duties by directors and senior management personnel.

In 2024, in accordance with the Articles of Association and the annexed Rules of Procedure of the General Meeting of Shareholders and Rules of Procedure of the Board of Directors, the Company successfully convened regular and ad hoc meetings.

General Meeting of Shareholders	Board of Directors	Supervisory Board	
Number of Meetings Held	Number of Meetings Held	Number of Meetings Held	
Number of Proposals Reviewed 17	Number of Proposals Reviewed 44	Number of Proposals Reviewed 30	

Strategy

Corporate governance serves as the cornerstone for an enterprise's steady development. Canmax has a solid corporate governance structure, clarifying the functional delineation between the Board of Directors and the Supervisory Board, strengthening decision-making and supervision mechanisms. This ensures that the Company's operations comply with legal and regulatory requirements, while responding to the expectations of shareholders and other stakeholders. The Company implements multiple governance strategies, and starting from the dimensions of information disclosure, investor rights protection, standardized connected transactions, and board diversity, effectively enhances the level of corporate governance.

Impact, Risk, and Opportunity Management

Acting Ethically to

Information Disclosure

Integrity as the Foundation

The Company attaches importance to information disclosure and investor relations management, strictly abides by the requirements of relevant laws, regulations, as well as the Company's policies, such as the *Information Disclosure Management System* and *Investor Relations Management System*, to ensure information transparency and compliance. The Company designates *Securities Times, Shanghai Securities News* and CNINFO (http://www.cninfo.com.cn/) as information disclosure media. The Chairman is the primary accountability holder for information disclosure, comprehensively leading the information disclosure work, and the Secretary of the Board of Directors is responsible for the specific implementation. The Company timely, accurately and completely discloses all information that may have a substantive impact on the decisions of shareholders and other stakeholders, and safeguards the right to know of shareholders.

In 2024, the Company issued a total of 124 announcements of various types. With high-quality information disclosure and standardized corporate governance, it was rated "A" in the information disclosure evaluation of the Shenzhen Stock Exchange (hereinafter referred to as "SZSE") for the second consecutive year.

Investor Rights Protection

The Company attaches importance to investor relations management. It has built smooth communication channels, such as result briefings, investor research, irm.cninfo.com.cn, investor email and hotlines, providing investors with all-round communication and interaction opportunities.

The Company attaches importance to shareholders' rights and implements the *Articles of Association* to safeguard shareholders' rights to participate in decision-making and receive benefits. The Company focuses on the long-term returns of shareholders, follows the profit distribution policy, continuously implements cash dividends, and shares its development achievements with investors. In 2022-2024, the Company distributed a total of RMB2,404 million in dividends, reaching 78.76% of the average net profit attributable to shareholders over the past three years.

Standardizing Connected Transactions

The Company has formulated the *Connected Transaction Decision-Making System*, which makes detailed provisions on the scope, deliberation procedures, information disclosure and recusal system of connected transactions to ensure that the transactions between the Company and connected parties conform to the principles of fairness, justice and openness. In 2024, for all connected transaction matters, the Company strictly fulfilled decision-making and approval procedures in accordance with relevant laws, regulations and the Company's systems, and timely and accurately disclosed information. There were no acts of using connected transactions to harm the interests of the Company and minority shareholders.

Board Diversity

For the building of a professional leadership, the Company pays attention to the professional background and diversity of the Board of Directors. At present, the members of the Board of Directors represent a diverse spread of age, gender and professional backgrounds, which enables comprehensive views in decision-making.



The ratio of female directors in total was 16.67%

Indicators and Targets

The Company is profoundly aware of the importance of diversity on the Board of Directors to achieve strategic goals and sustainable development, so it will strive to build a diverse Board of Directors and pay attention to multi-dimensional considerations and balance in the composition of board members.

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Compliance and Risk Management

Canmax strictly abides by laws and regulations such as the *Rules Governing the Listing of Stocks on the ChiNext Board*, *Standard Operation of Listed Companies on the ChiNext Board* and *Basic Standards for Internal Control of Enterprises*, continuously improves the internal control construction and risk prevention capabilities, strengthens standardized operation, gives full play to the role of the Board of Directors and special committees of the Board of Directors, improves the level of decision-making and operation and management, and realizes a virtuous circle of the Company's development.

To standardize and advance the business continuity management of Canmax, the Company enacted the *Business Continuity Management Measures* during the reporting Period and established a sound business continuity management system. As the decision-making body, the Company's executive management collaborates with the Operations Management Center, divisions, and assurance departments to enhance the Company's ability to respond to important business interruption events and ensure the continuous and stable operation of key businesses.

The Company conducts a business interruption risk assessment every six months. Each division identifies and analyzes potential business continuity risks, evaluates their severity and occurrence frequency, and calculates risk coefficients. Based on the risk assessment results, the Company adopts appropriate response strategies, including risk mitigation, elimination, or transfer, to ensure the continuous and stable operation of key businesses in the event of emergencies.

In accordance with the *Guiding Opinions on the Independent Director System of Listed Companies*, the Company has established an independent audit committee and introduced experts with rich industry experience as members. The committee members all have profound professional knowledge in risk management and finance, providing professional opinions for the Company's internal control and risk management.

The Company has established a normalized internal audit mechanism, including internal control compliance audit and financial compliance audit. According to the 2024 annual audit plan, the internal audit department conducted a total of 50 internal control compliance audits, and concurrently conducted quarterly financial compliance audits, covering the Group Headquarters and important subsidiaries of the Ultra-Clean ESD Division, the Lithium-ion Battery Division, and the Medical Division. Each company continuously improves the internal control system of relevant businesses according to its own business situation and internal audit recommendations. According to the Company's internal control deficiencies identification standards, no material internal control deficiencies were found in the 2024 audit.

To enhance the compliance awareness and capabilities of all employees, the Company has implemented a compliance training plan covering all employees, using various forms such as online courses, offline seminars, and case analyses; and it has customized in-depth training for management and key positions, emphasizing their exemplary role in advancing a compliance culture and implementing compliance measures.

Anti-Bribery and Anti-Corruption

Canmax profoundly recognizes that good business ethics is a key factor in building the cornerstone of sustainable development, safeguarding the Company's reputation and establishing a long-term trust. It complies with the *United Nations Global Compact* and its ten principles, as well as relevant laws and regulations, the Company lays out and strictly implements a code of conduct to ensure that all business activities and decision-making processes are in line with the highest standards of business ethics.

The Company formulates an *Employee Handbook* to clearly define various unethical behaviors and measures for their corresponding penalties, including but not limited to key areas such as anti-corruption and fair competition. It provides all employees with a clear code of conduct guide and advocates a corporate culture of integrity, fairness, and transparency.



In 2024, the Company updated policies such as the *Code of Conduct for Management Personnel* and *Conflict of Interest Disclosure*, with detailed provisions addressing anti-bribery and anti-corruption practices. The norms clarify the criteria for dealing with different amounts of money involved, define the ways in which violations and different circumstances can be handled, and establish an appeal mechanism to ensure transparency and fairness.

The Audit Committee under the Company's Board of Directors is responsible for supervising and guiding the construction and implementation of the business ethics system, regularly conducting business ethics audits covering all business departments. By conducting an in-depth review of internal control systems, business processes, and actual operational activities, the committee promptly identifies potential ethical risks and proposes targeted improvement suggestions.

The Company establishes compliance reporting channels, through which employees and stakeholders can submit appeals or mediation requests to the Group's Audit and Risk Control Department via the reporting email. To safeguard the rights and interests of whistleblowers, the Company adopts strict confidentiality measures, including minimizing those who are in the know, dedicating full-time personnel to keep the reporting materials. For whistleblowers who provide significant clues of violations and help the Group recover major losses, the Company will give appropriate rewards. The Company reserves the right to hold accountable for malicious or harassing reporting.

Reporting Email

Riskcontrol@canmax.com.cn

Each subsidiary follows a uniform code of business ethics and requirements, and implements anti-corruption management. Each subsidiary continuously improves its management level of business ethics by developing and implementing anti-corruption plans, strengthening internal monitoring mechanisms, and actively participating in various audit and training activities initiated by the Group.

Anti-Unfair Competition

Intellectual Property Protection

Canmax is well aware of the importance of intellectual property rights for technological innovation and core competitiveness. It strictly abides by the Patent Law of the People's Republic of China, Copyright Law of the People's Republic of China and other laws and regulations, and establishes a sound intellectual property management system.

As the management and support department of intellectual property, the Group Research Institute is responsible for planning the Company's overall intellectual property strategy and management system, building the intellectual property management structure, laying out work plans and objectives, cultivating intellectual property talents, and organizing and guiding various divisions and subsidiaries to carry out intellectual property protection and operation.

The Company establishes an intellectual property management system, covering patents, trademarks, copyrights, trade secret protection and intellectual property licensing and transfer. The intellectual property team led by the Group Research Institute is responsible for the annual application, layout and protection of intellectual property rights. The Company implements uniform management standards and encourages each subsidiary to develop detailed rules based on its business features.

Intellectual Property Management Measures

- The Group Research Institute has initially established an intellectual property life cycle management system for innovative projects. In the project initiation stage, the system of intellectual property search and novelty search is implemented to ensure technological innovation and novelty of the projects. In the project R&D stage, the institute carries out systematic patent layout, forms patent families, and ensures effective protection of key technologies. In the project acceptance stage, the institute incorporates intellectual property achievements into one of the core indicators for project acceptance.
- The institute uses AI tools to realize efficient IP search, analysis and patent navigation, providing solid support for IP management for innovation projects.

The Group Research Institute collaborates with external institutions to regularly provide training for IP teams and R&D personnel, including protection, patent mining and writing, to enhance professional skills, strengthen IP management and innovation protection capabilities.

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2024 Intellectual Property Related Training (Partial)

- The Group Research Institute invited experts to train full-time and part-time intellectual property personnel, teaching patent search and analysis skills and the use of AI tools;
- The Group Research Institute collaborates with the Lithium-ion Battery Division and the Ultra-Clean ESD Division to invite external institutions for patent and mining training, with nearly 20 members of the IP management team and R&D engineers participating;
- The Group Research Institute, in collaboration with the Group's Human Resources Department, conducted Huawei IPD training, which was attended by over 120 R&D technicians and technical management personnel.

To continuously stimulate the enthusiasm and creativity of scientific and technological personnel, and enhance overall scientific and technological innovation capabilities and competitiveness, the Company enacts the *Management Measures for Science and Technology Awards*. For intellectual property, papers, technical standards, vertical scientific and technological projects, and other achievements, the Company establishes multiple annual awards, including the Excellent Science and Technology Project Award, Excellent Science and Technology Talent Award, and Science and Technology Development Award. This method specifies the reward criteria and provides immediate rewards for outstanding scientific and technological contributions through the issuance of honorary certificates and special bonuses.

In 2024, the Company applied for a total of 154 patents, of which 102 were granted. The Group Research Institute and innovation projects laid out more than 30 high-quality intellectual property rights, of which invention patents account for more than 90%.

Responsible Marketing

The Company strictly complies with laws and regulations such as the Advertising Law of the People's Republic of China and Copyright Law of the People's Republic of China, and enacts the Corporate External Communication Standards and Spokesperson Management System, etc., ensuring that all promotional activities are based on authentic data, prohibiting the use of absolute superlatives, maintaining consistency and accuracy in external communications, thereby enhancing corporate credibility and brand image.

The Company lays out a sound management mechanism for external communication standards, systematically breaking down and governing the standards across different business areas. It implements a rigorous responsibility matrix to ensure that each division completes the collation, approval and release of content according to established timelines. All external dissemination content of the Company is subject to multi-level approval processes to ensure that the information is accurate and compliant while preventing unauthorized disclosure.

Concurrently, the Company institutes a spokesperson governance framework that includes laying out an official spokesperson roster and clearly stipulating authority levels and approval processes for spokespersons. Spokespersons must strictly adhere to pre-approved content for external communication within their designated scope of responsibility and must not exceed their authorized boundaries or convey unauthorized information.

During the reporting period, the Company recorded zero administrative penalties related to violations of laws and regulations governing product and service marketing, public information disclosures, or labeling requirements.

Data Security and Privacy Protection

Canmax follows the strategic principle of "Centralized Planning, Phased Implementation, Priority Protection, and Sustainable Operations" in data security and privacy protection. Through comprehensive planning and coordinated security strategies, the Company progressively advances security measures in stages, prioritizing the protection of critical business systems and data. Continuous evaluation and updates of security strategies and technologies are ensured and employee security training programs are regularly conducted to maintain long-term security and business continuity. During the reporting Period, no incidents of violating laws and regulations related to information security or privacy protection occurred at the Company.

The Company strictly complies with laws and regulations such as the *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and *Cybersecurity Law of the People's Republic of China*. An information security management system aligned with ISO 27001 international standards has been established and its operation has been continuously enhanced.

The Company has established the Information Security Management Regulations and conducted periodic security audits to ensure that important and sensitive data of the Company, individuals, and partners are subject to classified hierarchical management and encryption protocols. At the same time, the Company strictly controls data access permissions, regularly backs up and lays out data recovery plans to safeguard data security and integrity.

The Company establishes an Information Security Committee which is composed of senior executives, and an Information Security Task Force, whose members are from various divisions and departments. It lays out a feedback channel for information security issues, and all information security incidents will be reported to the task force, the committee, or the management of the Company within the prescribed timelines. To further strengthen information security management, the Company incorporates the information security management responsibilities and implementation of each division into the performance appraisal, and imposes corresponding penalties on employees who violate relevant regulations according to the *Employee Handbook*.

Acting Ethically to

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Feedback Email

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The Company's Information Technology Center is responsible for establishing an incident classification system for information security management, dividing information security risk events into four levels. This system monitors and evaluates information security incidents by type, severity, cause, scope of impact, attribution of responsibility, and loss, and takes preventive measures accordingly. After identifying information security incidents, the Information Technology Center will classify them based on their severity and promptly report them to the relevant responsible personnel. For major incidents, they will be reported to the Director of Information Technology, Deputy General Managers of subsidiaries, and Senior Executive in charge of information technology, and the Special Emergency Plan for Information System Security will be activated to ensure that information security issues are promptly and effectively handled and controlled.

The Information Security Task Force regularly conducts internal audits to test the effectiveness of existing information security measures through self-inspection, mutual inspection, expert review, and other methods, and takes timely corrective and preventive measures for identified issues.

Information Security Internal Audit Situation in 2024



Network Architecture Security

- The Company re-optimized network zoning under the Zero-Trust Security Model, establishing isolating zones covering data center networks, production networks, office networks, monitoring networks, and laboratory networks. Specifically, production and laboratory networks maintain physical isolation, while data center, office, and monitoring networks are secured through logical isolation;
- The Company adopted the dual IPsec + nqa technology to shorten the intra-network recovery time among subsidiaries to within 3 minutes.
- The Company replaced the open-source mail gateway with the maildata commercial mail gateway, increasing the spam email interception rate to over 98%.



Terminal Security Management

• The Company sorted out the terminal management strategy once again. It restricted IM-type terminals, mobile hard disks, cloud disks, etc. as needed, improved various approval processes, and installed encryption software on the computers of some positions to ensure corporate data security.

The Company continuously creates an information security culture, carries out training and emergency drills every year to help employees master network security knowledge and correctly use digital tools, and enhance the overall information security awareness of employees. In 2024, the Company organized the all-staff training themed "Information Security Knowledge Implementation", covering information security management instructions, file graded classification and management specifications, daily computer use norms, etc. In addition, the Company also carried out 2 emergency drills for core businesses, focusing on intrusion incidents such as malicious programs, Trojans, and ransomware, to improve the emergency response speed, efficiency, and team collaboration capabilities.

The Company attaches importance to data security and privacy protection, and regards them as important components of corporate sustainable development and fulfilling social responsibility. The Company lays out relevant goals, improves its information security management level, and ensures that data security and privacy protection are effectively guaranteed.

Data Security and Privacy Management Targets

- No Level III and above data leakage incidents occur throughout the year.
- No customer confidentiality complaints.
- Each division conducts at least 1 information security training and at least 1 emergency response drill every year.



Environmental Compliance Management

Governance

Canmax strictly complies with the requirements of national laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Water Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and has in place and effectively operates an environmental management system.

Each subsidiary has established an environmental responsibility system with the General Manager at the core to clarify the environmental responsibilities of departments and employees at all levels, and set up a safety and environmental protection department to ensure the implementation of environmental management objectives and measures. The Company links environmental protection indicators with the performance assessment of all employees, to strengthen their awareness of environmental responsibility. The Lithium-ion Battery Division incorporates key environmental protection indicators, such as hazardous waste management, rectification of potential environmental hazards, incident prevention and emission compliance, into the monthly performance assessment that covers all employees from senior officials to ordinary employees in each business chain.

The Company has established management systems, such as the Environmental Protection Responsibility System, the Environmental Governance Management System, the Environmental Protection Management System for Construction Projects, the Management System for Environmental Protection Education and Training, and the Management System for Environmental Protection Facility Operations, to ensure the efficient advancement of the environmental protection endeavors. During the reporting period, the Company revised the Environmental Monitoring Management System and the Management System for Environmental Emergency Supplies, to address potential environmental risks.

Strategy

Environmental compliance management is vital to Canmax's sustainable development. By continuously improving the management structure, deepening institutional construction, scientifically formulating and rigorously implementing environmental protection goals, participating in environmental management system certifications. The Company effectively controls pollution emissions, and promotes the efficient and sustainable use of energy and resources. To this end, the Company optimizes production processes, adopts advanced environmental protection technologies and equipment, strengthens employee training on environmental awareness, and regularly conducts environmental audits and performance assessments, to ensure the implementation of strategies and translate them into daily actions and practices.

Impact, Risk and Opportunity Management

The Company promotes the establishment of environmental management systems across subsidiaries. Its subsidiaries that had passed the ISO 14001:2015 Environmental Management System certification as of the end of the reporting period are listed below:

Certified Management System

Entities covered by the Certification

ISO 14001:2015 Environmental Management System certification

Canmax, Tyeeli (Yibin), Tyeeli (Meishan), Tyeeli (Fengxin), Canmax Ultra Clean, Wuxi TA&A, Stone Tech, Zhenjiang Zhonglei, Yeso-med

Environmental Management Measures (Partial)

simultaneous commissioning and operation of environmental protection facilities);

implemented to ensure mutual supervision and cooperation in environmental management:



Environmental Management Inspection

Environmental Impact

Assessment and Acceptance

The Company entrusts a third party to inspect waste water, noise and other pollutants every year.

The Company conducts environmental impact assessment, acceptance, and approval for new, renovated, and expanded projects, while ensuring "Three Simultaneities" (simultaneous design, simultaneous construction,

Environmental protection specialists regularly inspect the production sites and environmental facilities. Once

problems are found, immediate rectification and supervision are carried out. Cross audits among subsidiaries are

The Company applies for the pollutant discharge license before the trial production of a new project and discharge spollutants as per the permit.



We revise and file the *Environmental Emergency Response Plan*, prepare relief supplies, set up relief teams, and conduct regular drills.



 $We organize training on environmental \ protection \ to \ enhance \ employees' \ environmental \ protection \ awareness.$

Environmental Management Work in 2024 (Partial)

Environmental Management Inspection

Lithium-ion Battery Division

The Lithium-ion Battery Division conducted five EHS cross audits in two rounds to evaluate the compliance and effectiveness of environmental and safety management in each subsidiary, identify improvement opportunities, and promote experience exchange, so as to continuously improve EHS management performance;

Tyeeli (Meishan) conducted routine daily, weekly inspections and 12 monthly comprehensive safety and environmental protection inspections; Accepted 12 inspections by environmental authorities at the park, municipal and provincial levels;

At Tyeeli (Fengxin), environmental management inspection include routine inspections, monthly inspections, and cross inspections. It carried out 8 monthly inspections and 2 cross inspections in 2024, to enhance on-site management and compliance.

Ultra-Clean ESD Division

Canmax Ultra Clean conducted a safety and environmental inspection every month;

Stone Tech carried out an environmental inspection every month and underwent two inspections by the environmental management team of the park, both found no non-conformities.

Environmental Impact Assessment and Acceptance

Lithium-ion Battery Division

Tyeeli (Meishan) completed the environmental impact assessment of the "Second Line Annual Production of 26,500T of Battery Grade Lithium Carbonate Technical Transformation Project", and obtained approval from the Meishan Ecological Environment Bureau;

The environmental protection measures for the first phase of the Tyeeli (Fengxin) lithium battery project and the leaching slag yard project were accepted.

Emergency Drills for Environmental Pollution Incidents

Lithium-ion Battery Division

Tyeeli (Yibin) conducted 2 comprehensive emergency drills, 5 special emergency drills, and 143 on-site disposal drills of various types;

Tyeeli (Meishan) conducted 4 comprehensive environmental emergency drills, 15 special drills, and 13 on-site disposal drills of various types;

Tyeeli (Fengxin) conducted 4 environmental emergency drills, including tabletop drills and on-site scenario simulation drills, covering hazardous waste leakage, excessive wastewater discharge, leaching residue scattering, and leachate leakage.

Ultra-Clean ESD Division

Canmax Ultra Clean revised, reviewed and filed the environmental emergency response plan; and conducted 2 comprehensive environmental emergency drills and 7 special drills, including fire drills, chemical leakage response drills and environmental facility operation drills.

Training on Environmental Protection Knowledge

Lithium-ion Battery Division

Tyeeli (Yibin) organized 4 training sessions for managers and environmental technicians on basic environmental laws and regulations, the list of hazardous solid wastes, etc., involving a total of 70 participants;

Tyeeli (Meishan) organized 3 environmental protection standard training sessions and 1 environmental emergency management training session for all employees, as well as 21 environmental protection training sessions for new employees, involving 1,463 participants in total;

Tyeeli (Fengxin) organized 18 environmental protection training sessions, including 9 on standardized management of hazardous waste that recorded 286 participants; 6 on abnormal environmental emissions that recorded 142 participants; and 3 on basic knowledge of environmental protection that recorded 53 participants.

During the reporting period, Tyeeli (Meishan) was awarded the Third Prize for Outstanding Collective in Ecological and Environmental Protection at Ganmei Industrial Park. Additionally, Tyeeli (Meishan) strictly complied with *Meishan Municipal Emergency Plan for Heavy Pollution Weather* and industrial regulations on emission reduction. Through implementing improvement measures such as mobile source monitoring and fugitive emission control, Tyeeli (Meishan) successfully passed the on-site audit by the ecology and environment authorities in late 2024, obtaining a B-level performance rating. This enabled the Company to autonomously adopt appropriate emission reduction measures during heavy pollution alerts, enhancing both production efficiency and emergency management capabilities. Tyeeli (Yibin) also secured a B-level environmental performance rating by strengthening management of raw materials and slag warehouses and standardizing contractor vehicle access requirements (meeting National V or above emission standards).

Indicators and Targets

The Company prevents and controls environmental risks at the source, defines red lines and indicators for environmental management, fulfils its responsibility for environmental protection, and ensures that all operating activities comply with environmental standards. During the reporting period, the Company was not involved in any punishments by relevant departments for violating environmental management laws and regulations concerning pollutant emissions, pollutant leaks, and waste generation, nor was it involved in any incidents with significant environmental impacts in the above-mentioned areas.

Indicators	Annual Target	Fulfillment
Number of environmental pollution incidents	0	Fulfilled
Environmental testing qualification rate	100%	Fulfilled

Energy Use

Governance

Canmax implements localized management across its subsidiaries to prevent resource waste. For instance, Tyeeli (Fengxin) has established a three-tiered governance structure for energy conservation: At the management level, the Energy Conservation and Emission Reduction Leadership Group is responsible for setting energy conservation goals. At the execution level, the Energy Conservation Management Office supervises the implementation of resolutions made by the leadership group. Each energy consuming department assigns dedicated energy conservation personnel to take charge of the implementation of energy-saving measures.

The Company strictly complies with the Energy Conservation *Law of the People's Republic of China* and related policies, regulations and provisions, while enhancing its energy management system in alignment with ISO 50001 and other standards. For instance, Tyeeli (Fengxin) has enacted an *Energy Management Manual* and relevant policies, newly introduced the *Energy Conservation Management Policy* and the *Energy Metering Management Procedures*, to further standardize energy use and improve energy metering management. Meanwhile, it has established energy efficiency indicators for major energy-consuming equipment, with the fulfillment of these indicators linked to the performance assessment of mid-to-senior management members and employees, to motivate all employees to engage in energy management.

Strategy

Canmax optimizes the energy structure, and increases the use of renewable energy. Through equipment upgrades, process innovation, and digital management, it taps into the potential of energy conservation and boosts energy efficiency. Meanwhile, it scientifically sets management goals and indicators, and strictly supervises the implementation, to ensure efficient utilization of resources and promote the green, low- carbon and circular transformation of its production and operations.

Impact, Risk, and Opportunity Management

Canmax actively explores and follows the new approaches to energy conservation and emission reduction while ensuring operating efficiency. During the reporting period, the Company relied mainly on natural gas, diesel, gasoline, electricity and steam to power its operations.

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Main Energy Types and Use Scenarios

Directly Used	Natural gas	Diesel	Gasoline	
Energy	production and R&D, staff canteens	operation of self-owned vehicles and backup diesel generators	operation of self-owned vehicles	
Indirectly Used Energy	Purchased municipal electricity production and R&D	Purchased renewable electricity production and R&D	Purchased steam production and R&D	Self-produced steam production and R&D

The Company improves the construction of the energy management system with reference to ISO 50001 and other standards, and further standardizes energy use. As of the end of the reporting period, Tyeeli (Yibin), Tyeeli (Meishan), Tyeeli (Fengxin), and Yeso-med all passed the ISO 50001:2018 Energy Management System audits and obtained the certificates.

During daily operations, each subsidiary strictly supervises the use of energy and carries out energy consumption monitoring and management by regions and sites. For example, Tyeeli (Meishan) summarizes and analyses energy consumption data every month, discusses the reasons for differences based on production capacity and energy consumption indicators, analyses electricity consumption from multiple perspectives such as technology, equipment, production, and quality, and formulates improvement strategies. Yeso-med uses intelligent electricity meters to collect energy consumption data by regions, accurately identifies abnormal energy consumption, and optimizes energy consumption management in a timely manner.

The Company promotes energy efficiency improvement by upgrading equipment, introducing advanced energy-saving technologies, and conducting research on innovative conservation processes, aiming to maximize energy optimization and significantly reduce greenhouse gas emissions. The Lithium-ion Battery Division continues to promote the construction of a digital energy management platform, strengthens energy consumption monitoring and equipment operation efficiency management, and unlocks the potential of energy conservation.

Energy Conservation Measures (Partial)



Improvement of Equipment Energy Efficiency

We regularly identify main energy consuming equipment, analyse the data of equipment with high energy consumption, and improve energy efficiency through optimizing process parameters and upgrading energy conservation technologies.



Introduction of Energy-Efficient Devices

We introduce energy-efficient devices and implement a replacement plan to phase out low-efficiency devices., ensuring device updates and replacements.



R&D of Energy Conservation Process

We conduct R&D on energy conservation processes, to cut energy consumption and carbon emissions in manufacturing.



Digital Energy Management

Digital tools are applied for energy analysis and improvement. Automatic control reduces unplanned downtime and enhances energy efficiency.



Energy Conservation Training and Advocacy

To enhance employees' awareness of energy conservation, we conduct energy conservation training covering energy management systems, internal audit, and energy conservation skills;

We promote green office practices, encourage employees to save electricity, implement green printing measures, set the air conditioning temperature reasonably, conduct water and electricity inspections, and advocate turning off unnecessary appliances.

We organize "Energy Conservation Promotion Week" and "Low Carbon Day" campaigns through both online and offline activities to raise awareness and reinforce employee responsibility for energy conservation.

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Implementation of Energy Conservation Projects in 2024 (Partial)

Device Efficiency Improvement

Lithium-ion Battery Division

Tyeeli (Yibin) improved energy efficiency by 2%, and saved 90,000 kWh annually by installing energy-efficient motors. It retrofitted the belt filter to reduce energy consumption. It recovered the waste heat of the exhaust gas from upgraded cooling kilns;

Tyeeli (Meishan) carried out technological transformation on the open and closed circulating water pumps of public works, significantly improving energy efficiency. The daily electricity saving of an open circulating water pump was about 1,527 kWh, and that of a closed circulating water pump was about 3,232 kWh;

Tyeeli (Fengxin) recovered waste heat from rotary kilns to generate steam, cutting external steam purchases by 38,600 tons per year; it improved steam pipelines, reducing approximately 10 tons/day of steam discharge from waste heat boilers; it optimized the pressure band of the air compressor, saving 1.77 million kWh of electricity annually.

Ultra-Clean ESD Division

Canmax Ultra Clean replace the fixed frequency air compressor with the permanent magnet variable frequency air compressor, improving energy efficiency by 20% to 25% and saving about 24,750 kWh of electricity annually.

Medical Division

Yeso-med conducted an energy efficiency transformation of the air conditioning cooling system, and improved energy efficiency according to the change of water temperature by automatically regulating the startup of the fan.

R&D of Energy Conservation Process

Ultra-Clean ESD Division

Wuxi TA&A optimized the dust-free cloth dryer, changing from electric heating to natural gas heating, and realized automatic valve control to maintain the temperature of the heating box and reduce gas consumption. At the same time, the use of steam was reduced through the hot water circulation system, further reducing energy consumption;

Keyi Purifying carried out an energy-saving transformation of the dryer, and recovered the heat energy from emissions, saving about 19.91% of energy consumption.

Digital Energy Management

Lithium-ion Battery Division

The division established an energy management information platform. A three-tier intelligent energy metering network was established and integrated with a Distributed Control System (DCS) for remote equipment monitoring. Data analytics were used to improve overall energy performance.

Medical Division

Yeso-med advanced smart energy management, carried out technological transformation on eight outdated devices, achieved automatic collection of key data, conducted real-time monitoring and analysis of energy efficiency in the production process, and accurately identified the areas where energy efficiency improvement is possible. As of the end of the reporting period, the intelligent system covered 70% of production devices.

Canmax is committed to promoting the renewable energy substitution strategy, to improve the environmental friendliness of energy use. In 2024, Tyeeli (Yibin) further optimized its energy structure by purchasing green electricity within Sichuan Province. Green electricity—including solar and wind—accounted for over 84% of total electricity consumption.; Meanwhile, in the electricity structure of the Tyeeli (Fengxin), the proportion of renewable energy exceeded 30%. In addition, Canmax Ultra Clean, Wuxi TA&A, and Yeso-med all successfully deployed distributed photovoltaic (PV) projects.





Tyeeli (Yibin) & Tyeeli (Fengxin) Green Electricity Certificate
Transaction Vouchers

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Progress of PV Power Generation Projects

- Canmax Ultra Clean deployed PV facilities for power generation, with a power generation of approximately 433.08 MWh in 2024, accounting for 8.31% of the Company's total annual electricity consumption.
- Wuxi TA&A's PV installed capacity amounted to 974 KWP in 2024, and 1,050 MWh of electricity is expected to be generated throughout the year.
- Yeso-med deployed a 1,800 KWP distributed PV power generation system, generating approximately 1,475.84 MWh of electricity in 2024, and accounting for 13.07% of total electricity consumption.

Indicators and Targets

Business Segments	Energy Targets (Partial)	
Lithium-ion Battery Division	Tyeeli (Yibin) and Tyeeli (Meishan): When compared with 2024, the comprehensive energy consumption per unit of product will decrease by 1% in 2025.	
Ultra-Clean ESD Division	Wuxi TA&A: When compared with 2024, the consumption of natural gas per unit of product will decrease by 2.8%, and the consumption of steam per unit of product will decrease by 2.7% in 2025. Stone Tech: When compared with 2024, the electricity consumption per unit of product will decrease by 3% in 2025.	
Medical Division	Yeso-med: When compared with 2024, the comprehensive energy consumption per unit of product will decrease by 1% in 2025.	

Water Use

Canmax's main water source is municipal water supply, and some subsidiaries have installed reservoirs for rainwater reuse, There are no direct or indirect significant impacts on water resources caused by water withdrawal, consumption, discharge, or storage changes.

Each subsidiary has in place a water resource management responsibility system that clarifies the duties of each department and position. Based on actual production, water consumption quotas are scientifically set, and monthly, quarterly, and annual consumption assessments are conducted for teams, technical, and management staff. Projects with outstanding water-saving performance are appropriately rewarded to promote efficient water use.

The Company launches water-saving and water-recycling projects, improving water utilization rate and significantly reducing fresh water consumption through process optimization and wastewater treatment and reuse technologies.

Implementation of Water Conservation Projects in 2024 (Partial)

Process Optimization

Tyeeli (Fengxin): By adding cooling facilities and upgrading the steam condensate system, full reuse of condensate water was achieved, replacing tap water and resolving high temperature issues, resulting in an estimated daily water saving of approximately 1,400 cubic meters.

Yeso-med: It upgraded the water replenishment system for air conditioners into a self-control one, achieved intelligent management, and prevented nighttime air-conditioner failures and water resource waste. It also upgraded the ink device to reduce the amount of water used for oil seal replacement and cleaning.

Recycling

Tyeeli (Yibin) and Tyeeli (Meishan): 100% of production wastewater was recycled, and no wastewater was discharged.

Wuxi TA&A: The wastewater treatment process was upgraded to make the wastewater meet the reuse standard, reducing the water consumption per unit of product by 44.2% in 2024.

Yeso-med: The cooling water of the ice water machine was used for mould cooling, and the circulation of cooling water was realized.

Win-Win Development

with Strategic Partners

Addressing Climate Change

In response to the national goal of "peaking carbon emissions by 2030 and neutralizing carbon emissions by 2060", Canmax assesses the climate risks and opportunities in its own operations and across the industrial chain, improves its climate governance capabilities, and discloses progress of low-carbon related work with reference to the International Financial Reporting Sustainability Disclosure Guidelines No. 2 - Climate-Related Disclosures.

Climate Change Governance System

Governance

The Company establishes a three-level management structure of decision-making, management, and execution, and works on climate change response in an orderly manner from top to bottom.

Strategy

The Company identifies and analyses significant climate-related risks and opportunities, and assesses their strategic and financial impacts on its business:

The Company lays out adaptive strategies for green product R&D and innovation, green low-carbon production and operation, and green supply chain construction.

Impact, Risk, and Opportunity Management The Company identifies, ranks, and analyses climate risks and opportunities based on their probability of occurrence and degree of impact;

Based on the ranking results, the Company formulates targeted mitigation and adaptation measures;

The Company integrates climate risk management into its cross-department risk management process.

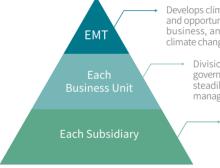
Indicators and Targets The Company regularly measures GHG emissions and offsetting performance;

The Company quantifies GHG emissions targets and evaluates progress towards them;

The Company tracks the progress of climate risk management through indicators such as energy efficiency, and incorporate relevant KPIs into its compensation policy.

Governance

The Company's Executive Management Team (EMT) bears full responsibility for climate change management, and takes charge of the development and implementation of climate change management strategies as a whole. The EMT leads the Company's ESG Committee to closely integrate climate risk management with daily business management, establishes indicators and targets for climate change management work, and promotes the efficient operation of the Company's climate change governance system.



Develops climate change-related strategies, identifies climate risks and opportunities that have a significant impact on the Company's business, and monitors and examines the implementation of climate change response actions.

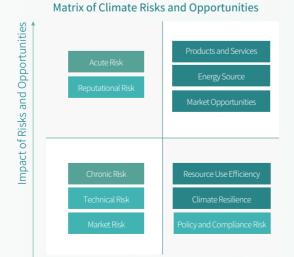
Division remains committed to constructing the climate governance system according to its own characteristics, and steadily advances the implementation of carbon emission

> Implements management targets and implementation paths, and strictly enforces various carbon reduction management measures, to ensure the effective implementation of climate action plans.

Governance Structure

Strategy

Based on its own business development strategy, domestic and international industry trends, internal and external expert opinions, and the demands of various stakeholders, Canmax identifies, ranks, and analyses climate risks and opportunities related to its operations, evaluates the impact of major climate risks and opportunities on strategies and finances, and formulates corresponding management measures.



Occurrence Probability of Risks and Opportunities

Significant Climate Risks and Opportunities

Risks/Opportunities	Description	Potential Financial Impacts	Management Measures
Physical Risk	Description	Тостиаттинентприсы	Managementeneasures
Acute Risk	Extreme weather events, such as typhoons and floods, are becoming more frequent and severe. If any subsidiary of the Company is hit, it may face depreciation of fixed assets, loss of labor, or disruption to the supply chain.	Rising cost ↗ Falling income↘	The Company takes into account the impact of climate hazards in the environmental impact assessment for new plant construction; The Company improves the emergency management mechanism for environmental emergencies.
Transition Ris	k		
Reputational Risk	Customers, consumers and other stakeholders are paying greater attention to the performance of the Company in addressing climate change. If the Company fails to take actions to address climate change, it may not be able to meet stakeholders' expectations, thus causing damage to its image and reputation.	Falling income \	The Company discloses its measures to address climate change in time, including strategic planning, target setting, action and performance, etc.
Policy and Compliance Risk	Climate-related regulatory requirements are becoming increasingly stringent. Newly introduced laws and regulations impose pressures on compliance. If the Company fails to meet regulatory compliance requirements in production, operations and sales, it will be exposed to risks such as litigation and penalties.	Rising cost ⊅	The Company identifies and tracks relevant laws, regulations, standards, norms, among others, and develops corresponding internal management documents; It discloses information on the issue of "addressing climate change" through ESG reports and other channels.
Opportunities			
Products and Services	Amid low-carbon transition, the demand for green and low-carbon products and services from customers and consumers at home and abroad has further increased. The Company will gain additional operating revenue and growth, if it develops and provides low-carbon products and services to meet the emerging needs of its customers.	Rising income ∕	The Company tracks and analyzes new environment-friendly raw materials, production technology and products across the industry; It strengthens investment in the R&D of new environment-friendly materials and cleaner production technologies; It optimizes product design to reduce raw material consumption.
Energy Sources	With the rollout of policies supporting green technology R&D, renewable energy becomes more accessible, and the price may gradually decline. If the Company increases the use of renewable energy in manufacturing and operations, it will reduce energy costs and respond to climate-related regulatory requirements and market expectations.	Falling cost ∕ ⊾	The Company gradually increases the proportion of energy sources, such as solar energy, hydro energy and wind energy, used in manufacturing and operation processes; The Company actively engages in green electricity transactions.
Market Opportunities	Amid the intensifying carbon emission constraints at home and abroad, climate-friendly products and services are more preferred by the public sector, customers, consumers and communities. If the Company accelerates the development of new energy and other markets and provides more products and services that meet market demand and expectations, it will embrace greater growth potential and lower financing costs.	Rising income⊅ Falling cost∖	The Company tracks domestic and international market demands, actively promotes the development of new energy and other emerging markets, and accelerates technological innovation; The Company engages in in-depth cooperation with upstream and downstream partners across the industry chain and the public sector on low-carbon technology development, market engagement, and other issues, empowering the low-carbon transformation of the industry.
Resource Use Efficiency	Resource efficiency can be improved through initiatives such as energy management during production and operations and recycling of water resources and materials. If the Company adopts an efficient resource management system, it will effectively avoid waste and reduce operating costs.	Falling cost ∕ ⊾	The Company realizes efficient management of energy, water resources and materials through digital technology.
Climate Resilience	Upgrading climate change adaptability will enhance the Company's capability to capitalize on climate opportunities. By building infrastructure, advancing renewable energy substitution, and upgrading supply chain climate risk management, the Company will enhance sustainable operating capability, and ensure that green and low-carbon products and services bring new opportunities to the Company.	Rising income ∕	The Company sets carbon neutrality targets; It builds green, low-carbon and digital infrastructures; The Company advances renewable energy substitution step by step; The Company builds a sustainable supply chain.

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Impact, Risk, and Opportunity Management

As part of the global battery industry chain, the Lithium-ion Battery Division of the Company always keeps up with market trends, actively embraces market opportunities, and seeks differentiated competitive advantages to respond to risks that may arise during the transformation process.

Comprehensive Carbon Emissions Inventory

The Lithium-ion Battery Division continued to push all subsidiaries to conduct an inventory of GHG emissions both at the organizational and product levels. Tyeeli (Yibin) has completed the inventory of carbon emissions at the organizational and product levels for four consecutive years; Tyeeli (Meishan) officially initiated GHG emission inventory one year after mass production was stablized, and obtained ISO 14064 and ISO 14067 verification statements in July and August 2024, respectively.

The Company has established and improved the carbon footprint model for lithium hydroxide and lithium carbonate, covering the whole life cycle from raw material acquisition, production and manufacturing, to logistics and transportation, while conducting regular monitoring and evaluation internally.

Tyeeli (Yibin) Wins the First SGS Carbon Footprint Verification Statement for EU Battery Regulation in China

In October 2024, Tyeeli (Yibin)'s battery-grade lithium hydroxide monohydrate product was granted the first carbon footprint verification statement for the EU battery regulation by SGS-CSTC Standards Technical Services Co., Ltd. (SGS), marking that the battery-grade lithium hydroxide monohydrate product fully complies with the latest carbon footprint calculation requirements under the EU Battery Regulation for electric vehicle batteries.

Meanwhile, Tyeeli (Yibin) conducted a life cycle assessment of battery grade lithium hydroxide products based on the ISO 14044 standard for the first time to comprehensively assess the environmental impact of products from raw material acquisition, production to transportation and waste disposal, ensuring compliance with international environmental management requirements and enhancing the green competitiveness of products.



Tyeeli (Yibin) Lithium Hydroxide Monohydrate Life Cycle Assessment Review Statement



Tyeeli (Yibin) Carbon Footprint Verification Statement for EU Battery Regulation



Each division proactively conducts training for all employees on carbon management to enhance their carbon management awareness and skills. Through the transmission of knowledge, each division ensures the full integration of carbon reduction strategies in the stages of product development, production, and management, facilitating the implementation of carbon footprint reduction work.

Acting Ethically to

Carbon Management Training Organized by the Lithium-ion Battery Division in 2024

Internal Training

Integrity as the Foundation

The ESG Department drove the Lithium-ion Battery Division to conduct life cycle assessment (LCA) training. According to the ISO 14044 standard, 30 employees were certified as internal auditors.

The ESG Department organized ISO 14064 GHG auditor training, where 35 employees obtained internal auditor certificates, and successfully established a carbon emission working group.

External Training

Tyeeli (Yibin) collaborated with TÜV Rheinland and 15 core suppliers to hold a green supply chain workshop, to share the practical experience and achievements in green supply chain management, and promote cooperation on environmental protection across the supply chain.



2024 Environmental, Social

and Governance Report

Win-Win Development

with Strategic Partners

ISO 14064 GHG Auditor Training

Achieving Green Production Through Process Improvement

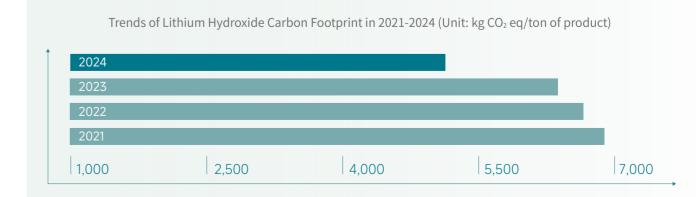
To comprehensively promote green manufacturing and low-carbon transformation, Tyeeli (Yibin) convened meetings on carbon reduction measures with participants from key departments such as production, equipment, processes, and logistics, and held special seminars on core issues such as carbon reduction technology paths, process optimization, energy efficiency improvement, and supply chain carbon reduction. By systematically evaluating the emission reduction potential in existing process flows, Tyeeli (Yibin) developed a scientific and feasible carbon reduction plan, laying a foundation for carbon reduction.

Tyeeli (Meishan) made a detailed comparison of the carbon footprints of products produced through two different technical paths before technological transformation, providing a valuable reference for green processes and products. Tyeeli (Meishan) also set detailed targets for reducing carbon emissions per unit of product during the project approval stage, fully responding to the customers' demands for carbon emissions.

Indicators and Targets

The Company has established a complete GHG emission accounting system, carried out GHG inventory and carbon footprint certification for key operational sites and products in accordance with ISO 14064 and ISO 14067 for four consecutive years, and obtained a third-party independent verification statement. Based on the results of the GHG verification, the Company urges all subsidiaries to formulate GHG emission reduction targets.

Tyeeli (Yibin) has set an emission reduction target of "reducing the carbon footprint per ton of product by 10% by 2025 with 2021 as the base year". As of the end of the reporting period, the lithium hydroxide carbon footprint of Tyeeli (Yibin) has been continuously declining for four consecutive years, with a cumulative decrease of 25.41%.



Excellence Through

Waste and Pollutant Management

Governance

Canmax strictly complies with national laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, as well as local laws and regulations. It develops comprehensive internal management systems for wastewater, waste gas, factory boundary noise, solid waste, and hazardous waste generated during production and operation, such as the Wastewater Management System and Hazardous Waste Management System, to ensure effective management at all steps of production. The governance structure is shown in "7.1 Environmental Compliance Management".

Strategy

Canmax is committed to minimizing emissions and efficiently recycling pollutants and wastes. The Company strictly abides by national and local environmental regulations, and adopts advanced purification treatment technologies, ensuring discharges of waste gas, wastewater, and solid waste in line with standards. Meanwhile, it delves deeper into process optimization, recycling, and digital management, promoting emission reduction and resource utilization from the source, reducing environmental impact, and enhancing its sustainable development capabilities.

Impact, Risk, and Opportunity Management

The Company has standardized pollution prevention and control strategies and disposal methods for different types of emissions and wastes, and formulated annual environmental monitoring plans in accordance with the requirements of the pollutant discharge permit, conducting monitoring of all emissions at least once a year. For hazardous exhaust gas, wastewater, and solid waste, the Company adopts advanced purification and compliant disposal measures to maximize recycling and reuse. For noise pollution, the Company takes measures such as shock absorption and enclosed isolation to minimize environmental impact.

Subsidiaries Listed as Key Monitored Units for Pollutant Discharge

Key Monitored Units for Air Pollution	Tyeeli (Yibin), Tyeeli (Meishan)
Key Monitored Units for Soil Pollution	Tyeeli (Yibin), Tyeeli (Meishan), Tyeeli (Fengxin)

Emissions and Wastes Management Requirements and Disposal Methods

Management regulations:	The Wastewater Management Regulations, etc.;
Emission types:	Industrial wastewater and domestic sewage;
Testing indicators:	Thallium, fluoride, pH, chemical oxygen demand (COD), biochemical oxygen demand (BOD), suspended solids (SS), ammoniacal nitrogen (NH3-N), total phosphorus (TP), etc.;
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Pollution control facilities: Factory wastewater treatment facilities, septic tanks, wastewater pipe network, etc.;

Disposal methods:

Wastewater

Tyeeli (Yibin) and Tyeeli (Meishan) have achieved zero discharge of production wastewater. The production wastewater discharged from Tyeeli (Fengxin) enters the sewage treatment plant of the park through the discharge outlet after the removal of thallium and fluoride and flocculation precipitation at the wastewater station. There are no processes related to production wastewater at Cannax Ultra Clean, Stone Tech and Zhenjiang Zhonglei. Wuxi TA&A conducts physicochemical and biochemical treatment of production wastewater to make it meet the reclaimed water standard. The production wastewater of Keyi Purifying is discharged into the sewage pipe network after physical precipitation. Yeso-med treats the wastewater discharged from its sterilization workshop as hazardous waste and contracts a qualified third-party institution for treatment. For domestic sewage, each subsidiary conducts pre-treatment in the plant area, and then includes it in the sewage treatment facility in the park for centralized treatment before final discharge.

Integrity as the Foundation	Acting Ethically to	Win-Win Development	2024 Environmental, Socia
Compliance for the Long Run	Drive Green Progress	with Strategic Partners	and Governance Repor

Waste Gas	Management regulations: Emission types: Testing indicators: Pollution control facilities: Disposal methods:	The Waste Gas Management Regulations, etc.; The Lithium-ion Battery Division mainly emits furnace flue gas and dust waste gas; The Ultra-Clean ESD Division mainly emits waste gas from injection, glue brushing, coating, plastic granulation, cutting and drying; The Medical Division mainly emits waste gas from injection moulding and printing; There are waste gas from wastewater treatment plants and cooking fumes from canteens. Sulphur dioxide (SO ₂), nitrogen oxides (NOx), particulate matter (PM), soot, dust, fluoride, thallium and its inorganic compounds, smoke blackness, sulfuric acid mist, ammonia (NH ₃), non-methane hydrocarbons (NMHC), ethylene oxide (C ₂ H ₄ O), etc.; Activated carbon adsorption unit, waste gas monitoring system, concentration detector, dust removal equipment, bio-trickling filter, canteen cooking fume filtration system, etc.; After being treated by waste gas treatment facilities, it can be emitted once it meets emission standards. Notably, the Lithium-ion Battery Division emits waste gas in accordance with the ultra-low emission standards for pollutants in the inorganic chemical industry. Yeso-med adds a double-layer activated carbon adsorption device, and treats the replaced activated carbon as per the transfer of Hazardous Waste Six-Part Manifest.
Noise	Management regulations: Source: Pollution control measures:	The Noise Control Procedure, etc.; Mainly from equipment operation, including moulding machines, crushers, cutting machines, air compressors, coating machines, blown film machines, ball mills, rotary kilns, air conditioning outdoor units, etc.; Select low-noise equipment, use shock absorption and sound insulation measures, conduct regular maintenance, isolate high-noise areas, and monitor noise levels regularly.
Soil	Management regulations: Management measures:	The Regulations on Investigation and Management of Potential Soil Pollution Hazards, the Regulations on Soil and Groundwater Pollution Control Management, etc.; No pollutants are discharged into the soil during the Company's production process. Tyeeli (Meishan) conducts soil pollution investigation and monitoring, discovers and deals with soil pollution risks in time, and takes measures to prevent pollution to the soil; Tyeeli (Fengxin) sets up monitoring sites based on the monitoring results, conducts regular monitoring, and lays out soil and groundwater pollution control plans, including the establishment of seepage prevention areas and emergency pools.
General Industrial Solid Wastes	Management regulations: Emission types: Pollution control facilities: Disposal methods:	The Solid Waste Management Regulations, etc.; The Lithium-ion Battery Division mainly generates leaching residue, biochemical sludge from domestic sewage, wasted trays, etc.; the Ultra-Clean ESD Division mainly generates wasted packaging materials, product scraps, and domestic waste; the Medical Division mainly generates scraps of polycarbonate (PC) and polyethylene terephthalate (PET), etc.; General industrial solid waste containers, etc.; Sale on concession, disposal by a contracted, qualified third-party company or reuse.
Wastes	Management regulations: Emission types ⁴ :	The Hazardous Waste Management Regulations, etc.; The Lithium-ion Battery Division mainly generates thallium-containing wastes, waste lubricating oil, contaminating wastes, waste catalysts, waste activated carbon, waste lead batteries, analytical waste liquids; the

Disposal methods: Disposal by a contracted, qualified third-party company. In 2024, the Company continuously explored various process optimization measures to reduce pollutant and waste emissions in

Pollution control facilities: Hazardous waste is sealed in containers and stored in hazardous waste warehouses:

Ultra-Clean ESD Division mainly generates waste mineral oils, oil-water mixtures or hydrocarbon-water

mixtures, dye or coating wastes, organic resinous wastes, waste activated carbon, waste packaging contain-

ers; the Medical Division mainly generates hazardous waste containers such as ink containers;

warning against abnormal values and thus prevents environmental pollution risks in a timely manner. Given the importance of pollutant emission management at the Lithium-ion Battery Division, the Company highlights the disclosure of the emissions management and reduction measures taken by the Lithium-ion Battery Division.

the production process, and vigorously promoted solid waste reuse to convert waste into reusable resources. Meanwhile, it

implemented digital management, and established a real-time monitoring system for emissions, which issues accurate early

Hazardous

During the reporting period, Tyeeli (Yibin) and Tyeeli (Meishan) commissioned the Solid Waste and Chemicals Management Centre of the Ministry of Ecology and Environment to assess the hazardous properties and solid waste properties of the leaching slag. The slag was identified as non-hazardous and classified as Class I general industrial solid waste. Tyeeli (Fengxin) commissioned the Jiangxi Provincial Institute of Ecological and Environmental Science Research and Planning to identify the properties of solid waste in leaching slag and desulfurization slag, and none of them belonged to hazardous waste.

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Emissions and Waste Reduction and Monitoring Efforts at the Lithium-ion Battery Division in 2024 (Partial)

Process Optimization

Tyeeli (Meishan) made technical improvements to the desulfurization and denitrification system, including the insulation treatment of the top cover of the metal bag, the addition of the ammonia reflux system, the upgrading of the ammonia spray gun and the replacement of the denitrification catalyst, which reduced the flue gas temperature by about 10-15 °C, and lowered the consumption of ammonia and the generation of pollutants.

Recycling

Tyeeli (Yibin) and Tyeeli (Meishan) sold leaching residue to the cement industry as a clinker additive, reducing the use of traditional clinker and improving its activity; they developed new building materials and commercial concrete customers, achieving 100% utilization of lithium slag; they sold general packaging materials to recycling organizations; they engaged qualified companies to dispose of waste mineral oil. In 2024, Tyeeli (Yibin) transferred 480,139.72 tons of siliceous slag and 112,085.36 tons of by-product sodium sulphate; Tyeeli (Meishan) transferred 451,179.42 tons of siliceous slag and 94,906.98 tons of sodium sulphate, effectively recovering and utilizing by-products;

Tyeeli (Meishan) changed its lubricant replacement strategy from scheduled replacement to quality-based replacement, and implemented the circulation and cascading use of waste mineral oil, using the replaced high-quality waste oil for equipment with low requirements.

Digital Management

The Lithium-ion Battery Division established an online monitoring system for wastewater and waste gas, which was connected to the central control information platform and the environmental protection authorities. Full-time environmental management personnel were designated to conduct daily inspections of the online monitoring data. In addition, the Lithium-ion Battery Division set up off-limit warning values in the waste gas online monitoring system, with warning values for sulphur dioxide and nitrogen oxides 60% below the specified national emission level.

Emission and Waste Reduction Measures of Ultra-Clean ESD and Medical Divisions in 2024

Ultra-Clean ESD Division

Canmax Ultra Clean used glue with low VOC emissions to replace the original glue for its purification range extender products, reducing the emission of air pollutants.

Medical Division

Yeso-medsignificantlyreducedthegenerationoftrimmingsby optimizing the production mould, thereby reducing the generation of general waste;

Through the automation transformation of its self-developed high-pressure assembly production lines, Yeso-med achieved a 13% reduction in PC and PET waste.

Integrity as the Foundation Compliance for the Long Run Acting Ethically to

Win-Win Development with Strategic Partners

2024 Environmental, Social

As of the release of the report, Tyeeli (Yibin) and Yeso-med were awarded the titles of Sichuan Provincial Green Factory and Jiangsu Provincial Green Factory respectively for their excellent environmental management performance.





Tyeeli (Yibin) named Sichuan Provincial Green Factory

Yeso-med named Jiangsu Provincial Green Factory

Indicators and Targets

Upholding legal compliance, the Company has set strict management goals to improve environmental management at each division and continuously optimize environmental performance. Moreover, in response to the call for environmental protection, Tyeeli (Meishan) has further set the target of " reducing nitrogen oxide emissions per unit of product by 1% by 2025 when compared with 2024".

Indicators	Annual Target	Fulfillment
Up-to-standard discharge rate of the three wastes (waste gas, wastewater, and solid waste)	100%	Fulfilled
Compliance rate of solid waste treatment	100%	Fulfilled



Ecosystem and Biodiversity Protection

The Company strictly adheres to the requirements of laws and regulations, such as the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Wildlife Protection Law of the People's Republic of China, and the Regulations of the People's Republic of China on Nature Reserves, and carries out the identification of risk factors and the hazard identification and risk assessment. The Company formulates the Environmental Protection Management System for Construction Projects, pays attention to biodiversity protection in the whole process of project feasibility assessment, construction, and operation, and strictly controls the damage to biodiversity caused by production and operation. For instance, Tyeeli (Fengxin) carried out a comprehensive analysis on environmental impact assessment for both the leaching slag yard project and the lithium battery project. During the reporting period, no significant impact on biodiversity was found in any of the Company's production and operation activities, products, and services. of the Company's production and operation activities, products, and services.

Tyeeli (Fengxin) implements ecological protection measures at different stages, and upholds the principle of ecosystem and biodiversity protection throughout the process from infrastructure construction to operation, effectively protecting the surrounding ecological environment.



Infrastructure Construction Phase

- Tyeeli (Fengxin) deploys construction facilities in a centralized manner, to reduce the occupation of forest land, and avoid damage to forest and vegetation;
- Tyeeli (Fengxin) collects and keeps topsoil for vegetation restoration after construction; it adopts multiple tree species for greening to improve plant diversity;
- Tyeeli (Fengxin) raises the awareness of construction personnel and strictly prohibits the hunting of wild animals;
- Tyeeli (Fengxin) adjusts the construction time to reduce the disturbance of noise to wild animals;
- Tyeeli (Fengxin) increases green belts on traffic roads to reduce adverse effects on animals;
- Tyeeli (Fengxin) monitors ecological impact, establishes a reporting system, and raises environmental awareness.



Phase

- Tyeeli (Fengxin) sets green belts and isolation belts around the factory and within the project area to create green buffer zones; it also installs dust nets around the landfill area;
- Tyeeli (Fengxin) carefully designs pipe transportation routes to minimize occupation of farmland; enclosed pipe transportation is adopted to prevent secondary pollution;
- Tyeeli (Fengxin) strengthens the education of wildlife protection laws for operators to reduce the impact on wildlife.

Location Selection Phase

Strictly following the national "Three Lines and One List" ecological environment zoning control requirements, the Company avoids locating its facilities in protected areas such as nature reserves, scenic spots, cultural heritage reserves, world cultural and natural heritages, forest parks, geological parks, and wetland parks;

The Company implements the environmental impact assessment system. It investigates, predicts, and evaluates the adverse impact that the site selection, design, and operation of construction projects may have on the surrounding environment, and proposes prevention and control measures.

Project Design Phase

The Company assesses the impact of the project on biodiversity during the whole life cycle in accordance with the Technical Guidelines for Environmental Impact Assessment - Ecological Impact, and formulates corresponding protection measures to control the damage to biodiversity;

The Company implements the philosophy of prevention and mitigation at the source, adopts new technologies, processes, and equipment to reduce pollution, maximizes the utilization rate of resources and energy, and reduces pollutant emissions and ecological impacts at the source.



Project Construction Phase

The Company strictly implements the environmental protection measures specified in the environmental impact report, and supervises and inspects the implementation of "Three Simultaneities" of the project.



Project Completion Phase

Based on the planting characteristics and ecological environment around the project, the Company introduces native or locally adaptive species and increases the greening area as much as possible.

Before the trial production or commissioning of the project, the Company submits the environmental impact report or environmental impact form to the environmental protection authorities, and applies for the completion acceptance of the project's environmental protection facilities.



Ecological Protection Measures for the Whole Process of Construction Projects



Project Operation Phase

The Company develops the Environmental Protection Facilities Operation and Management Regulations to standardize the operation and maintenance of environmental facilities, strengthen inspections, ensure the intactness of such facilities, and reduce the impact of emissions on the surrounding environ-





Supply Chain Security

Governance

Canmax has established a top-down, hierarchical supply chain governance structure, which is centrally planned and managed by the Group's Supply Chain Department, and each subsidiary is responsible for implementing specific decisions on supply chain management in alignment with the overarching strategy of the Group.

The Company continuously develops and improves the supplier management regulations that accommodate the characteristics of each division, while laying out the corresponding supplier management regulations for supplier access, management, complaint communication and other aspects. Taking Tyeeli (Yibin) as an example, it has formulated internal management regulations such as *Procurement Control Procedures*, *Supplier Management Control Procedures*, *Procurement Process Management System* and *Responsible Mineral Supply Chain's Due Diligence Management Policy* to ensure the continuous improvement of product quality and the sound development of business operations.

Strategy

Canmax aims to build a safe, sustainable and responsible supply chain system. The Company implements a classification management strategy, establishes a diversified supplier network to enhance the resilience and anti-risk ability of the supply chain. Through a full-cycle management mechanism of access review, dynamic grading and performance evaluation, it realizes the flexible and efficient operation of the supply chain and all-round effective monitoring.

Meanwhile, the Company actively implements the sustainability strategy of the supply chain and integrates the concept of environmental protection and social responsibility into the selection of suppliers and daily operations. In terms of responsible minerals management, the Company has established a rigorous and complete responsible minerals management system, so that all products do not use mineral resources originating from conflict areas or high-risk areas, ensuring the safety and ethical compliance of the supply chain.

Impact, Risk, and Opportunity Management

The Company has businesses in lithium-ion battery, ultra-clean ESD technology, medical devices, and other fields, each of which has its unique product attributes and technical characteristics, and thus calls for a unique way of procurement and diverse raw material demands

The Company establishes a comprehensive supplier classification and management mechanism which divides suppliers according to their product supply categories, risk level, and other criteria. Tailored management strategies are implemented for each category of suppliers to ensure the stability and reliability of the supply chain and to promote the mutual growth of both parties and achieve win-win cooperation.

Procured Modes and Raw Materials

Divisions	Specific Procured Modes and Raw Materials	
Lithium-ion Battery Division	This unit adopts a management mode of unified management and collective procurement. The purchased raw materials and auxiliary materials include lithium ore, liquid alkali, and sulfuric acid.	
Ultra-Clean ESD Division	It monitors price changes and purchases materials based on the real-time price. The raw materials it purchases include polyethylene (PE), polyethylene terephthalate (PET), polycarbonate (PC), polyurethane (PU) and chemical fibre.	
Medical Division	The procurement plan is prepared on the basis of production plans and raw material stocks. The unit purchases the required raw materials and standard components directly from the market, and customizes special-purpose components. Quality and price are the two criteria in the selection of suppliers. The suppliers and purchase prices are finalized according to the principles of "quality first when offered prices are equal" and "price first when product quality is equal".	

Supply Chain Security Management

To improve the robustness of the supply chain and the ability to resist risks, the Company has established a diversified supplier network to reduce the risks that may be caused by over-reliance on a single supplier. Each division has adopted a targeted supply chain management strategy to optimize and consolidate the overall stability of the supply chain.

Supply Chain Resilience Uplifting Measures

Acting Ethically to

Drive Green Progress



Integrity as the Foundation

Compliance for the Long Run

By leveraging its diversified supply channels, the Company actively seeks and trains competitive suppliers, and includes 2-3 backup suppliers in the risk emergency plan to ensure the stable supply of materials;



The Company continuously considers supplier geographic distribution to avoid over-concentration of procurement;



The Company considers local suppliers, which can quickly respond to production needs, shorten the delivery cycle, and reduce procurement costs;



The Company sets up a safety stock level and monitors the real-time stock data of critical materials;



The Company requires external suppliers to keep a standing stock according to the Company's material demand and cooperates with emergency transfers at any time to deal with fluctuations in production plans.

Supply Chain Quality Management

Measures for Supply Chain Management of Each Division

Divisions	Management Measures
Supplier Acces	is s
Lithium-ion Battery Division	The Lithium-ion Battery Division conducts preliminary evaluations of suppliers around dimensions such as business operations, quality capabilities, and production capacities. Suppliers that meet the requirements will undergo sample certification, on-site supplier audits, and small batch supply evaluations according to the supplier management process, clarifying the usability of products, existing risks and their consequences. This measure helps select high-quality suppliers.
Ultra-Clean ESD Division	The Ultra-Clean ESD Division conducts evaluations of new suppliers around dimensions such as quality system management, contract management, material management, production control, traceability and abnormal management, training, customer service, measurement management, new product introduction and change management, product protection, environment, and safety.
Medical Division	In accordance with the Supplier Evaluation Control Procedure and the Procurement Control Procedure, the Medical Division carries out evaluations of suppliers, establishes and effectively manages the qualified supplier list, evaluates the actual supply capabilities of suppliers at the end of each year for scoring them, while improving, updating or eliminating non-compliant suppliers.

Daily Management of Qualified Suppliers

Lithium-ion Battery Division	The Lithium-ion Battery Division conducts audits and evaluations of suppliers, carries out on-site assessments by category, and checks their management systems and quality control. This division implements regular evaluations for suppliers of important materials and makes annual assessments for suppliers of ordinary materials; This division manages suppliers according to evaluation scores, eliminates unqualified ones, and continuously improves the quality of suppliers; This division takes measures against suppliers with major quality issues, such as adjusting procurement quotas or suspending/stopping procurement, to urge them to rectify. It terminates cooperation with suppliers that fail to meet the rectification requirements. The Lithium-ion Battery Division establishes the Supply Chain Management Appeal and Communication Mechanism, stipulating that unqualified suppliers may request a resumption of review.
Ultra-Clean ESD Division	According to the Supplier Selection and Evaluation Method, the Ultra-Clean ESD Division formulates annual audit plans for important suppliers. According to the Supplier Quality Evaluation Operation Specification, this division scores the quality of each supplier based on dimensions such as incoming material pass rate, production line abnormalities, improvement report responses, customer complaints, and service attitude each month. For unqualified suppliers, this division puts forward improvement suggestions or cancels their qualifications.

Medical Division

Based on the supplier grade, the Medical Division conducts annual on-site evaluations, covering key dimensions such as product quality, supply capacity, and price, and signs quality agreements. For unqualified suppliers, they will be required to rectify and submit rectification reports.

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The Company attaches importance to building a stable and close partnership with suppliers. On-site training and exchange activities are held to jointly explore and determine the strategic direction of quality improvement. In response to specific quality issues, the Company collaborates with suppliers to conduct in-depth technical discussions. The Company and suppliers jointly design and implement targeted technical transformation and optimization plans. The Company assists suppliers in refining their product quality management mechanisms to promote product quality improvement.

Measures for Guidance and Training Suppliers by Lithium-ion Battery and Medical Divisions

For suppliers with frequent quality problems and unstable supply, the procurement and quality departments of the Lithium-ion Battery Division will conduct irregular visits, provide quality counselling and support plans, and increase the number of audits to improve their quality assurance level. Every six months, business training is regularly conducted for third-party suppliers, covering business safety, operational processes, and delivery management to strengthen the implementation of management regulations. In addition, the loading and protection standards will be conveyed to transport suppliers through the finished product shipment platform dashboards, ensuring their implementation.



During the audit process of the Medical Division, team members jointly explore with suppliers how to improve product and service quality and how to optimize management processes and levels.

Responsible Supply Chain Management

The Company implements the sustainability strategy of the supply chain, and integrates this concept into supplier selection, daily operations and development planning. While ensuring product quality and economic benefits, the Company is committed to minimizing the negative impact on the environment and society, and steadily leading the transformation of the supply chain system in a more sustainable, low-carbon and environmentally friendly direction.

Responsible Supply Chain Management Measures

Management Stages

Specific Measures

The Company prefers partners that meet green and environmental protection standards and are committed to the practice of sustainability. Taking the Lithium-ion Battery Division as an example, the unit prefers working with green suppliers, requires suppliers to align with environmental management guidelines and policies, encourages all cooperative suppliers to sign *Environmental Agreements*, prompts suppliers to improve their environmental performance, and jointly promotes the green development along the supply chain;

New Supplier Access

When a supplier is granted access to supply, a letter of commitment related to sustainable development is signed with the supplier. Taking the Ultra-Clean ESD Division as an example, the unit signs agreements with suppliers such as the *Purchasing Framework Agreement*, the *Commitment on Environmentally Hazardous Substances*, the *Commitment on Supplier's Social Responsibility*, or the *Commitment on Supplier's Integrity*;

The Company reviews social responsibility during the on-site audit phase of the new supplier access process. Taking the Lithium Chemicals Business Unit as an example, the unit conducts on-site reviews of manufacturers in terms of social responsibility, human rights and occupational safety, qualifications (system, environmental assessment, production qualification, etc.) according to the relevant content of the *Supplier Evaluation Form*.

Qualified Supplier Management The Company makes the sustainability goals and requirements known to the suppliers and works with them to fulfil those goals and requirements. Taking the Lithium-ion Battery Division as an example, in terms of energy, the unit gives priority to purchasing from steam thermal power suppliers that harness pure biomass for power generation; In terms of logistics, it requires all logistics suppliers to comply with the latest *National Phase V Motor Vehicle Pollutant Emission Standards*;

The Company reviews the sustainable development management level of the suppliers on a regular basis. Taking the Lithium-ion Battery Division as an example, the unit regularly assesses the suppliers' management performance in terms of occupational health and safety and environmental management, and evaluates their safety and environmental qualifications.

Supplier Training and Guidance The Company regularly carries out initiatives or training on sustainable development for suppliers. Taking the Ultra-Clean ESD Division as an example, it regularly provides key suppliers with *Related Party Requirements* every year, which provide key requirements covering environmental protection, work safety, compliant emissions, and other sustainability-related requirements.

The Company gives on-site guidance for addressing deficiencies identified in the annual audit of social responsibility. Taking the Lithium-ion Battery Division as an example, the Company conducts reviews in accordance with the dimensions stipulated in the *Supplier Evaluation Form* in the annual audit of qualified suppliers. For any identified deficiencies, the unit provides on-site guidance to suppliers to rectify such deficiencies, and supervises their rectification efforts until the issues are resolved.

Indicators and Targets

The Company focuses on key performance indicators (KPIs) such as on-time delivery rate and delivery qualification rate in accordance with procurement requirements. It establishes relevant assessment mechanisms and conducts regular statistical analysis to continuously improve supply chain efficiency.

In 2025, the Company will define four strategic issues under its supply chain planning framework, including supply chain ecosystem, risk management, sustainable and green supply chain, and supply chain competitiveness. These issues serve as the core strategic directions in the Company's supply chain roadmap. Among them, the sustainable and green supply chain will be prioritized and incorporated into KPI management.



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Responsible Minerals Management

Governance

Canmax establishes a responsible minerals task force headed by the Vice President of the Group, aiming to standardize the management process of mineral resources and strengthen the monitoring of potential risks and opportunities in the mineral supply chain. Committed to promoting the sustainable purchase of mineral resources, the task force cooperates with the supply chain management department, sales department, procurement department, and overseas bases to jointly promote the implementation and improvement of responsible minerals management, and integrates the requirements of responsible minerals into all aspects of supplier management, transport, sales and procurement, so as to ensure the transparency of supply chain management and improve the transparency and compliance of the Company in mineral supply chain management.

Strategy

Canmax attaches great importance to the sustainable development and utilization of mineral resources, and adheres to the bottom line of corporate ethics and social responsibility. The Company comprehensively identifies and evaluates supply chain risks, develops and implements targeted response strategies, and strengthens third-party evaluation and auditing, ensuring compliance in mineral procurement. The Company prompts suppliers to strengthen responsible minerals management and encourages suppliers to accept third-party audits. In addition, the Company actively conducts responsible minerals training to enhance the team's ability to identify and avoid supply chain risks and build a transparent and compliant mineral supply chain.

Impact, Risk, and Opportunity Management

When contemplating strategies for the Lithium-ion Battery Division, the Company is fully aware of the importance of the development and utilization of mineral resources for energy transition and sustainable development. The production of the Lithium-ion Battery Division involves the use of lithium ore resources. While actively expanding global lithium resource supply channels to ensure the stability and competitiveness of the industrial chain, the Company always adheres to the baseline of corporate ethics and social responsibility, effectively controls the environmental, social and corporate governance risks that may exist in the supply chain, and continues to deliver responsible products.

The Company is committed to abiding by the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) and the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by Organisation for Economic Co-operation and Development (OECD). The Company builds a sound responsible minerals management system and develop the Responsible Supply Chain Due Diligence Management Policy, the Responsible Minerals Procurement Due Diligence Management Procedure, the Commitment Letter for Enterprise Compliance and other due diligence management regulations to make sure all our products and all products in the supply chain do not use mineral resources that originate from conflict-affected areas and are against the Responsible Mineral Supply Chain Due Diligence Management Policy. During the reporting period, Tyeeli (Yibin) joined the Responsible Critical Mineral Initiative (RCI) as a member company.



Responsible Minerals Management Process

Building Risk Management System

The Company sets up a responsible minerals working group headed by the general manager of the Lithium-ion Battery Division, and holds monthly meetings to supervise, follow up and improve the due diligence management of the lithium supply chain within the division; The ESG department of the Lithium-ion Battery Division is responsible for overall coordination; The responsible minerals working groups of each subsidiary are responsible for the implementation of specific tasks.

Formulating and Implementing Countermeasures

The results of the supply chain risk assessment are reported to the designated senior executives:

Strategies are developed to (i) mitigate risks while continuing transactions, (ii) mitigate risks while suspending transactions, or (iii) terminate relationships with partners;

Risk mitigation strategies are implemented, and the effectiveness of risk reduction efforts is monitored and tracked

Reporting Risk Management Process and Outcomes

The Company completes the supply chain due diligence report for the previous year and publishes it on its website every year.

Identifying and Evaluating Supply Chain Risks

The Company establishes and implements a system for identifying and managing conflict-affected and high-risk areas (CAHRA), as well as a procurement and supplier management system to manage all lithium-containing raw materials in accordance with the requirements of the due diligence management policy;

For low-risk suppliers, the Company conducts document reviews. That is, the Company collects information about the suppliers by means of the supplier due diligence (Know Your Supplier, KYS) questionnaire, supplier map questionnaire, communication with suppliers, and inquiries about suppliers public information; for high-risk suppliers, the Company adopts a way of combining document review with on-site audit; the supplier coverage rate is 100%;

The Company assesses the impact of conflicts and high-risk areas on mineral sources across conflict, human rights, and governance dimensions, using tools such as the U.S. Dodd-Frank Act, CAHRA List as defined under EU Conflict Minerals Regulation, Global Peace Index, Global Corruption Perceptions Index, and Human Development Index.

Third-Party Assessment and Audit

For suppliers from low-risk areas, the Company conducts basic due diligence;

For suppliers from high-risk areas, the Company conducts an enhanced due diligence;

For its own due diligence practices, the Company conducts third-party audits, namely carries out audits of the Responsible Mineral Initiative (RMI) - Responsible Minerals Assurance Process (RMAP) every year.

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To ensure that the procurement of lithium raw materials complies with the requirements of the *Supply Chain Due Diligence Management System*, the Company has established a Grievance Working Group for Due Diligence and developed a supply chain management grievance mechanism to encourage stakeholders to provide suggestions, opinions, or complaints regarding the Company's supply chain due diligence management. The Company publicly discloses a contact/grievance email address on its official website, and commits to strict confidentiality regarding the identity of complainants and safeguarding their rights and interests from infringement. The Grievance Working Group is responsible for receiving, processing, and responding to complaints, ensuring the process remains confidential and timely, and follows the principle of conflict avoidance.

Grievance Email

ESG@tyeeli.com

During the reporting period, the Lithium-ion Battery Division received 10 second-party audits by customers. None of the audits identified any significant risks in the lithium supply chain pertaining to child labor, inhumane treatment, forced labor, armed conflict, and other aspects. Both Tyeeli (Yibin) and Tyeeli (Meishan) passed the Responsible Minerals Initiative (RMI) - Environmental, Social and Governance (ESG) audits. In addition, Tyeeli (Yibin) successfully passed the RMI-RMAP re-audit after completing an on-site audit and video review of non-conformities, marking a further confirmation of the Company's compliance in the minerals procurement process and ensuring its commitment to continuously promoting responsible minerals procurement and sustainable development.



Tyeeli (Yibin) RMAP Audit Certificate

The Company continues to prompt suppliers to strengthen their responsible minerals management and encourages them to undergo reviews by third-party organizations to ensure the transparency and compliance of their mineral extraction, processing, and trading activities. The Company communicates its policies and protocols on responsible minerals management to its mineral suppliers through regular email communications and collects mineral information from its suppliers to ensure that 100% of its mineral suppliers have signed the *Commitment Letter for Enterprise Compliance*.

The Company conducts training on responsible minerals management for its employees, and develops their ability to take action to implement responsible minerals management in their work. During the reporting period, the Lithium-ion Battery Division rolled out a total of four relevant training sessions for ESG, procurement, logistics, quality and other departments, covering OECD due diligence guidelines, all RMI minerals standards, and the procedures for identifying the Company's conflict-affected and high-risk areas (CAHRA).

Indicators and Targets

The Company continues to strengthen its due diligence work in the upstream supply chain, enhances the transparency of the overall supply chain, and actively promotes the implementation of responsible minerals procurement practices. By strengthening cooperation with upstream suppliers, the Company prompts them to sign and implement responsible minerals supply chain codes of conduct or related agreements, working together to build a compliant and sustainable supply chain system.



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Community Communication

Rural Revitalization

The Company adheres to care and responsibility, responds to and closely follows the national policy guidance of rural revitalization, provides strong support and care for the groups in difficulties, and actively promotes the effective implementation of targeted poverty alleviation.

Tyeeli (Yibin) pays great attention to the development of agriculture, rural areas and farmers and actively carries out visits to neighboring villages and communities, giving economic support to poor families and contributing to infrastructure construction. More than 80% of the employees of Tyeeli (Yibin) are from Jiang'an County, Yibin City and surrounding areas, which are dwelt by a large number of rural people, propping up local employment. Besides, it purchases most of its employee holiday gifts from planting bases of local farmers, which is a practical action to support the development of local agriculture, vigorously promoting the coexistence and win-win situation between the enterprise and villages. In 2024, Tyeeli (Yibin) was awarded the title of "2023-2024 Love Enterprise for Supporting the Disabled" in Jiang'an County.

Progress of Rural Revitalization Projects in 2024 (Partial)

Tyeeli (Yibin) paid attention to the development of community livelihood. In 2024, the Company's Party Branch went to Tuhong Village and Pingfu Village in Yangchun Town, Jiang'an County, Yibin City for a visit, launched the campaign themed "Learn Party History and Practice Original Aspiration" during the Spring Festival and sent festival care and daily necessities to 25 poor households.

Tyeeli (Yibin) responded to a series of national policy initiatives on caring for the elderly, promoting social harmony, and strengthening community services. The Company's trade union committee, together with all its members, went to Tuhong Village and Pingfu Village in Yangchun Town to carry out a campaign themed "Warm Autumn and Love in Double Ninth" during the Double Ninth Festival, extended sincere festival greetings to the elderly living in the community, and sent daily necessities such as rice, edible oil, and warm clothes, benefiting a total of 30 poor households.

Tyeeli (Yibin) helped rural revitalization by purchasing products planted by surrounding farmers and supporting rural development and farmers' income increase with practical actions. In the annual procurement, Tyeeli (Yibin) spent a total of more than RMB 12,100, putting the "I Do Practical Things for the Masses" practice into effect and boosting rural revitalization with Party-building leadership.



Campaign Themed "Learning Party History and Fulfilling Original Aspiration" during the Spring Festival



Campaign Themed "Warm Autumn and Love in Double Ninth Festival"

Social Contribution

Canmax is active in advocating and motivating employees to deeply participate in community construction and non-profit public initiatives. In order to better support employee volunteer actions, the Company sets up a volunteer association and works closely with party organizations at all levels to provide a full range of service guarantees. The Company also rolls out a series of community care initiatives to contribute to building a harmonious society.

Progress of Social Contribution Projects in 2024 (Partial)

- Tyeeli (Yibin) held the "Walking with Lithium, Building Dreams Together" campaign, donating RMB 10,000 and books and sports equipment worth RMB 5,000 to Baisha Primary School in Jiang'an County, supporting environmental non-profit public initiatives and student education.
- Tyeeli (Meishan) donated RMB 100,000 in education funds to Hailuogou Scenic Area in Garze Prefecture, and received the honorary certificate of "Donating to Support Education, Presenting Great Love", contributing to educational equity and resource improvement.
- Yeso-med donated RMB 30,000 to the "Veteran Captain Fund" every year to help needy families and poor students.



Campaign Themed "Walking with Lithium, Building Dreams Together"



Donation for Hailuogou Education Fund

Acting Ethically to

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ESG Datasheet and Notes

Note: In this Report, economic, corporate governance, and R&D-related data follow the statistical basis of financial reports. Due to the expanded disclosure scope this year, the statistical base for some environmental and social indicators has increased, resulting in higher intensity indicators (e.g., comprehensive energy consumption intensity) from the previous year, which is attributed to adjustments in the statistical basis.

Some indicator data may differ from those in financial reports due to differences in consolidated reporting scope. In case of discrepancies, the financial reports shall prevail.

Economic Indicators

Indicator	Unit	2023	2024
Operating revenue	RMB 10,000	1,046,771.67	660,825.00
Net profit attributable to shareholders of the Company	RMB 10,000	165,907.62	84,764.51
Basic earnings per share	RMB /share	1.99	1.01

Corporate Governance

Indicator	Unit	2023	2024
Number of concluded corruption lawsuits filed against the issuer or its employees during the reporting period	Case	0	0
Number of violations of laws and regulations in trade secret protection (including intellectual property rights)	Case	0	0
Number of cases in which the Company was sanctioned by competent authorities for unfair competition practices in its operations or violations of the anti-trust and anti-monopoly laws	Case	0	0
Amount involved in litigation or major administrative penalties due to the Company's unfair competition behavior during the reporting period	RMB 10,000	0	0

Environmental Indicators

Environmental Compliance Management

Indicator	Unit	2023	2024
Annual spending on environmental protection	RMB 10,000	4,049.24	4,252.01
Number of developed environmental technologies	/	2	0
Number of incidents in which penalties were imposed for the violation of environmental laws and regulations	Case	0	0
Number of incidents in which penalties were imposed for exceeding pollutant standards or illegal discharge	Case	0	0

Energy Utilization¹

Indicator		Unit	2023	2024
Comprehensive energy consumpt	Comprehensive energy consumption		108,154.83	217,350.07
Comprehensive energy consumption	n intensity	Ton of standard coal / RMB 10,000	0.10	0.33
Consumption of direct energy		Ton of standard coal	50,659.83	114,717.22
Consumption of natural gas		Cubic meter	37,812,858.18	85,815,907.00
Consumption of gasoline from mob	ile sources	Liter	124,934.79	69,741.16
Consumption of diesel from mobile	sources	Liter	1,841.88	186,735.03
Consumption of diesel from station	ary sources	Liter	158.06	188.49
Consumption of indirect energy	Consumption of indirect energy		57,495.00	102,632.85
Consumption of purchased electric	ty	MW∙h	324,432.62	589,104.72
Among them: Electricity consumpti sources	Among them: Electricity consumption from purchased renewable energy sources		/	212,003.92
Among them: Electricity consumptions sources	Among them: Electricity consumption from purchased non-renewable energy sources		/	377,100.80
Consumption of purchased steam		GJ	514,992.28	883,413.11
Consumption of clean energy		MW·h	408,908.25	1,140,017.14
	Natural gas	MW∙h	408,908.25	928,013.22
Clean energy consumption by energy type	Wind energy	MW∙h	/	28,482.00
33 31	Solar energy	MW∙h	/	183,521.92
	Natural gas	%	/	81.40
Proportion of clean energy by energy type	Wind energy	%	/	2.50
3 37 71	Solar energy	%	/	16.10

Note: 1. The comprehensive energy consumption, consumption of direct energy, and consumption of indirect energy were calculated in accordance with the GB/T 2589-2020 General Principles for Comprehensive Energy Consumption Calculation. The consumption of direct energy includes the consumption of natural gas, gasoline from mobile sources, diesel from mobile sources, diesel from stationary sources, and self-generated renewable energy. The consumption of indirect energy includes the consumption of purchased electricity and steam. Based on the principle of accuracy, this Report has retrospectively updated some energy consumption data for the year 2023.

Greenhouse Gas Emissions¹

Indicator	Unit	2023	2024
Total Greenhouse Gas Emissions	Ton of CO₂ Equivalent	318,816.18	483,237.31
Scope 1 greenhouse gas emissions ²	Ton of CO ₂ Equivalent	83,052.48	277,098.65
Scope 2 greenhouse gas emissions ³	Ton of CO ₂ Equivalent	235,763.70	206,138.66

Not

^{1.} Greenhouse gas emissions data include the greenhouse gas emissions of the subsidiaries that have carried out carbon verification and the remaining subsidiaries. The GHG emissions of the subsidiaries that have carried out carbon verification include Tyeeli (Vibin) and Tyeeli (Meishan), whose GHG emission data are derived from their carbon verification reports, and the GHG emissions of the remaining subsidiaries are calculated in accordance with ISO 14064-1:2018 and the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020).

^{2.} Scope 1 greenhouse gas emissions include direct GHG emissions from the consumption of natural gas, gasoline and diesel, and the emission factors for 2024 are derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the IPCC Sixth Assessment Report, China Energy Statistical Yearbook and other documents.

^{3.} Scope 2 greenhouse gas emissions include indirect GHG emissions from the consumption of purchased electricity and steam. The emission factor for 2024 of purchased electricity is derived from the provincial average electricity carbon dioxide emission factor in the 2022 Electricity Carbon Dioxide Emission Factors (2024) developed by the Ministry of Eccology and Environment of the People's Republic of China; The emission factor of purchased steam is derived from the Guidelines for Greenhouse Gas Emission Accounting and Reporting - Industrial Enterprises in Other Sectors (Trial Edition, 2015) developed by the National Development and Reform Commission of China.

Water Use

	Indicator	Unit	2023	2024
Total water withdrawal		Cubic meter	1,112,081.00	1,917,080.90
	Municipal water supply	Cubic meter	1,112,081.00	1,717,718.90
Water withdrawal by source	Rainwater collected and stored directly by the Company	Cubic meter	/	193,922.00
Total discharge: sewage pipel	Total discharge: sewage pipeline		312,862.40	771,530,98
Total water consumption		Cubic meter	799,218.60	1,140,109.92
Water consumption intensity		Cubic meter/RMB 10,000	0.76	1.73

Pollutant Emissions

Indicator	Unit	2023	2024
Total wastewater discharge	Cubic meter	312,862.40	771,530.98
Industrial wastewater discharge	Cubic meter	168,070.00	628,987.55
Domestic wastewater discharge	Cubic meter	144,792.40	161,338.43
Chemical oxygen demand (COD) discharge from wastewater	Ton	/	13.45
Biochemical oxygen demand (BOD) discharge from wastewater	Ton	/	2.88
Ammonia nitrogen (NH ₃ -N) discharge from wastewater	Ton	/	1.35
Total nitrogen (TN) discharge from wastewater	Ton	/	2.21
Total phosphorus (TP) discharge from wastewater	Ton	/	0.12
Emission of particulate matter (PM) from waste gas	Kg	1,646.82	7,082.96
Emission of sulfur oxides (SOx) from waste gas	Kg	17,036.45	24,207.76
Emission of nitrogen oxides (NOx) from waste gas	Kg	16,904.25	32,180.66
Emission of volatile organic compounds (VOCs) from waste gas	Kg	/	2,037.67

Waste Treatment

Integrity as the Foundation Compliance for the Long Run

	Indicator	Unit	2023	2024
Total volume of non-hazardous waste		Ton	687,319.58	1,503,313.03
Non-hazardous waste inten	sity	Ton/RMB 10,000	0.66	2.27
The volume of non-	Landfill	Ton	/	440,485.84
hazardous waste by	Recycling/reuse	Ton	687,319.58	1,062,622.73
disposal method	Other methods ¹	Ton	/	204.46
Total volume of hazardous waste		Ton	191.15	1,863.65
Hazardous waste intensity		Ton/RMB 10,000	0.00018	0.00282
	Incineration without energy recovery	Ton	94.92	78.81
The volume of hazardous waste by disposal method	Landfill	Ton	/	1,662.08
	Recycling/reuse	Ton	83.56	101.15
	Other methods ²	Ton	12.67	21.61

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Circular Economy

Indicators	Unit	2024
Consumption of renewable resources	Ton	44,222.15
Proportion of renewable resource consumption to the total consumption of the corresponding resource	%	5.02

Social Indicators

Product and Service Safety and Quality

Indicator	Unit	2023	2024
Number of incidents of violation of laws and regulations related to products and services	Case	0	0
Handling rate of complaints received regarding products and services	%	100	100

^{1.} The non-hazardous waste involved in other disposal methods mainly includes construction residues and garbage that cannot be recycled, and the treatment methods are unknown.

^{2.} Other disposal methods for hazardous waste mainly include solidification treatment, physical and chemical treatment, etc.

Supply Chain Environment and Social Risk Management

Indicator		Unit	2024
Total number of suppliers		Supplier	857
	Number of suppliers in mainland China	Supplier	836
By region	Number of suppliers from Hong Kong, Macau, Taiwan, and overseas regions	Supplier	21
Total number of new suppliers		Supplier	513
Number of suppliers conducting environmental and social impact assessments		Supplier	109
Number of suppliers who have passed environmental and social impact assessments		Supplier	109
Number of suppliers who have agreed to improve after environmental and social impact assessments		Supplier	91
Percentage of suppliers who have agreed to improve after environmental and social impact assessments		%	83.49
Number of suppliers identified with and social impacts	actual and potential significant negative environmental	Supplier	0

Innovation-Driven

Indicator	Unit	2023	2024
Number of R&D personnel	Person	528	609
Proportion of R&D personnel	%	16.91	16.70
Amount of R&D investment	RMB 10,000	9,039.81	9,144.56
The proportion of R&D investment in operating income	%	0.86	1.38
Number of invention patents applied to the main business	Case	/	101
Number of patent applications during the reporting period	Case	/	154
Number of patents granted during the reporting period	Case	56	102
Number of patents in force during the reporting period	Case	/	491
Number of trademarks approved during the reporting period	Case	2	8
Number of software copyright registrations during the reporting period	Case	2	2

Occupational Health and Safety

Indicator	Unit	2023	2024
Number of employees participating in occupational disease health check-ups	Person	1,392	1,764
Number of lost workdays due to work-related injuries	Day	177.75	65.00
Number of employees who died due to work-related injuries	Person	0	0
Number of incidents punished for violating laws and regulations on occupational health and safety	Case	0	0
Number of employees who received occupational health and safety training	Person	1,392	2,436

Employment and Employee Rights

Integrity as the Foundation Compliance for the Long Run

	Indicator	Unit	2023	2024
Total number of	Total number of employees		3,122	3,835
December	Male	Person	2,042	2,582
By gender	Female	Person	1,080	1,253
	Labor contract	Person	3,008	3,740
By employment type	Labor dispatch	Person	14	18
31	Other employment types ¹	Person	100	77
	Number of employees aged below 30	Person	/	998
By age	Number of employees between the ages of 30 and 50	Person	/	2,599
	Number of employees aged 50+	Person	/	238
	Number of employees who are Ph.D. degree holders	Person	3	8
	Number of employees who are Master's degree holders	Person	38	99
By educational background	Number of employees who are Bachelor's degree holders	Person	406	629
	Number of employees who are Associate degree holders or below	Person	2,675	3,099
Social insurance of	coverage rate	%	100	100
Employee work-related injury insurance coverage rate		%	/	100
Investment amount of employee work-related injury insurance		RMB 10,000	/	139.33
Employee work safety liability insurance coverage rate		%	/	67.88
Investment amount of employee work safety liability insurance		RMB 10,000	/	80.19
Employee health check-up coverage rate		%	100	100

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Note: 1. Other employment types include re-employment after retirement and internships.

Employee Training and Development

Indicator	Unit	2023	2024
Employee training coverage rate	%	100	100
Total expenditure on employee training	RMB 10,000	/	82.65

Rural Revitalization and Social Contribution

Indicator	Unit	2023	2024
Amount of public welfare donation	RMB 10,000	39.00	18.42
Amount of investment in rural revitalization	RMB 10,000	57.57	6.25
Number of beneficiaries of rural revitalization	Person	/	503
Person-times of employee volunteers	Person-times	/	1,270

Benchmarking Index

Benchmarking Index for the Shenzhen Stock Exchange Guideline No. 17 on Self-Regulation of Listed Companies - Sustainability Report (Trial)

Disclosure Requirement	Article	Section of this Report
Chapter 3 Environmental Information Disclos	ure	
	Article 20	Addressing Climate Change
	Article 21	Addressing Climate Change
	Article 22	Addressing Climate Change
	Article 23	Addressing Climate Change
Section 1 Addressing Climate Change	Article 24	Addressing Climate Change
	Article 25	Addressing Climate Change
	Article 26	Addressing Climate Change
	Article 27	Addressing Climate Change
	Article 28	Addressing Climate Change
	Article 29	Environmental Compliance Management Waste and Pollutant Management Ecosystem and Biodiversity Protection
Section 2 Pollution Prevention and Control	Article 30	Waste and Pollutant Management
and Ecosystem Protection	Article 31	Waste and Pollutant Management
	Article 32	Ecosystem and Biodiversity Protection
	Article 33	Environmental Compliance Management
	Article 34	Energy Use Water Use
Section 3 Resource Utilization and Circular	Article 35	Energy Use
Economy	Article 36	Water Use
	Article 37	Green Management Lays a Foundation for Sustainability Waste and Pollutant Management
Chapter 4 Social Information Disclosure		
	Article 38	Community Communication
Section 1 Rural Revitalization and Social Contribution	Article 39	Community Communication
	Article 40	Community Communication
	Article 41	Spearheading a New Industrial Pattern Through Innovation-Ddriven Development
Section 2 Innovation-Driven and Technology Ethics	Article 42	Spearheading a New Industrial Pattern Through Innovation-Driven Development
	Article 43	Spearheading a New Industrial Pattern Through Innovation-Driven Development

Disclosure Requirement	Article	Section of this Report
	Article 44	Supply Chain Security Product Quality and Safety Customer Service Management Data Security and Privacy Protection
	Article 45	Supply Chain Security
Section 3 Suppliers and Customers	Article 46	The balance of the Company's accounts payable (including notes payable) and the amount of overdue unpaid payments at the end of the reporting period are detailed in the Company's 2024 annual report
	Article 47	Product Quality and Safety Customer Service Management
	Article 48	Data Security and Privacy Protection
	Article 49	Employment and Employee Rights Talent Training and Development Occupational Health and Safety
Section 4 Employees	Article 50	Employment and Employee Rights Talent Training and Development Occupational Health and Safety
Chapter 5 Disclosure of Governance Informa	tion Related to Sustainable Development	
	Article 51	Sustainability Strategy Sustainability Governance
Section 1 Governance Mechanisms Related to Sustainable Development	Article 52	Identification of Material Issues Communication with Stakeholders
	Article 53	Communication with Stakeholders
	Article 54	Anti-Bribery and Anti-Corruption Anti-Unfair Competition
Section 2 Business Conduct	Article 55	Anti-Bribery and Anti-Corruption
	Article 56	Anti-Unfair Competition
Self-Disclosure Issues		
Corporate Governance	Corporate Governance	
Compliance and Risk Management	Compliance and Risk Management	
Chemicals Management	Chemicals Management	
Responsible Minerals Management	Responsible Minerals Management	

Acting Ethically to Drive Green Progress

Integrity as the Foundation Compliance for the Long Run

Index of Sustainability Reporting Standards (2021)

Statement of Use

Canmax prepared this Report with reference to the GRI standards for the Reporting Period from January 1, 2024 to December 31, 2024

Applied GRI

GRI 1: Foundation 2021

GRI Standards	Disclosure	Section of this Report	GRI Standards	Disclosure	Section of this Report
	2-1	About Canmax	GRI 3: Material Issues 2021 GRI 201: Economic Performance 2016	3-1	Identification of Material Issues
	2-2	About the Report		3-2	Identification of Material Issues
	2-3	About the Report		3-3	See each section of this Report for details
	2-4	About the Report		201-1	ESG Datasheet and Notes
	2-5	Assurance Statement		201-2	Addressing Climate Change
	2-6	About Canmax	GRI 203: Indirect		
	2-7	ESG Datasheet and Notes	Economic Impacts 2016	203-1	Community Communication
	2-9	Corporate Governance		205-1	Anti-Bribery and Anti-Corruption
	2-10	Corporate Governance	GRI 205: Anti- Corruption 2016	205-2	Anti-Bribery and Anti-Corruption
	2-11	Corporate Governance	Corruption 2010	205-3	Anti-Bribery and Anti-Corruption
	2-12	Sustainability Governance	GRI 302: Energy 2016 GRI 303: Water and Effluents 2018	302-1	ESG Datasheet and Notes
	2-13	Sustainability Governance		302-4	Energy Use
GRI 2: General Disclosures 2021	2-14	Sustainability Governance		302-5	Energy Use
	2-16	Sustainability Governance		303-1	Water Use
	2-17	Address of the Chairman of the Board		303-2	Waste and Pollutant Management
	2-19	Corporate Governance		303-3	ESG Datasheet and Notes
	2-22	Address of the Chairman of the Board		303-4	ESG Datasheet and Notes
		Anti-Bribery and Anti-Corruption		303-5	ESG Datasheet and Notes
	2-23	Supply Chain Security Employment and Employee Rights		305-1	ESG Datasheet and Notes
	2-25	Product Quality and Safety	GRI 305: Emissions 2016	305-2	ESG Datasheet and Notes
		Supply Chain Security		305-4	ESG Datasheet and Notes
	2-26	About the Report		305-5	Addressing Climate Change
	2-27	See each section of this Report for details		305-7	ESG Datasheet and Notes
	2-29	Communication with Stakeholders			
	2-30	Employment and Employee Rights			

GRI Standards	Disclosure	Section of this Report
GRI 306: Waste 2020	306-1	Waste and Pollutant Management
	306-2	Waste and Pollutant Management
	306-3	ESG Datasheet and Notes
	306-4	ESG Datasheet and Notes
	306-5	ESG Datasheet and Notes
GRI 308:	308-1	Supply Chain Security
Environmental Assessment for Suppliers 2016	308-2	Supply Chain Security
GRI 401: Employment 2016	401-1	ESG Datasheet and Notes
	401-2	Employment and Employee Rights
	403-1	Occupational Health and Safety
	403-2	Occupational Health and Safety
	403-3	Occupational Health and Safety
	403-4	Occupational Health and Safety
GRI 403: Occupational	403-5	Occupational Health and Safety
Health and Safety 2018	403-6	Occupational Health and Safety
	403-7	Occupational Health and Safety
	403-8	Occupational Health and Safety
	403-9	ESG Datasheet and Notes
	403-10	ESG Datasheet and Notes
GRI 404: Training and Education 2016	404-1	ESG Datasheet and Notes
	404-2	Talent Training and Development
	404-3	ESG Datasheet and Notes

GRI Standards	Disclosure	Section of this Report
GRI 405: Diversity and Equal Opportunity 2016	405-1	Employment and Employee Rights ESG Datasheet and Notes
GRI 406: Non- discrimination 2016	406-1	Employment and Employee Rights
GRI 408: Child Labor 2016	408-1	Employment and Employee Rights
GRI 409: Forced or Compulsory Labor 2016	409-1	Employment and Employee Rights
GRI 413: Local	413-1	Community Communication
Communities 2016	413-2	Community Communication
GRI 414: Social	414-1	Supply Chain Security
Assessment for Suppliers 2016	414-2	Supply Chain Security
GRI 418: Customer Privacy 2016	418-1	Data Security and Privacy Protection

Assurance Statement



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Canmax Technologies Co., Ltd. (hereinafter "Canmax" or "the Company") to conduct an independent third-party assurance of 2024 Environmental, Social and Corporate Governance Report of Canmax (hereinafter, "ESG Report"). The report disclosed sustainability information for the fiscal year 2024 (January 1, 2024 to December 31, 2024) of Canmax.

Responsibilities

Canmax is not only responsible for the preparation of ESG report and the collection and submission of sustainability information in accordance with applicable reporting standards, but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of the report of Canmax. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on ESG reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in ESG report of Canmax in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of Canmax and stakeholders concerned with the company's sustainability information and performance to provide an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Self-Regulatory Guidelines No. 17 for Listed Companies Sustainability Report (Trial) of the Shenzhen Stock Exchange
- Global Sustainability Standards Council (GSSB), GRI Sustainability Reporting Standards (GRI Standards)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., Inclusivity, Materiality, Responsiveness, and Impact

Methodology

Our assurance activities and procedures include:

Inquiring management and those personnel responsible for collecting and aggregating sustainability
performance information to understand the management processes, systems, and controls for sustainability
performance information.

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- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- · Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent
 to which the relevant evidence and information related to the scope of the assurance in the sustainability
 report supports and adheres to the AA1000AP AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2024 ESG Report of Canmax and its contents are in adherence to the AA1000AP AccountAbility Principles
 and align with the information disclosure requirements of Self-Regulatory Guidelines No. 17 for Listed
 Companies Sustainability Report (Trial) of the Shenzhen Stock Exchange.
- Canmax has implemented processes to collect and aggregate performance information and data related to
 materiality issues within the reporting boundary, and the company's management practices have also shown
 that the company conducted double materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Canmax based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

Key stakeholders of Canmax included shareholders and investors, employees, customers and consumers, governments and regulators, suppliers, partners, as well as communities and the public. Evidence showed that in 2024, the company conducted a questionnaire survey of internal and external stakeholders, covering topics such as response to climate change, energy use, responsible mineral management, compliance and risk management, product safety and quality, etc. The analysis of the survey results could provide an analytical basis for the evaluation of double materiality issues.

Materiality

Canmax has implemented a double materiality assessment. Based on industry sustainability background analysis, sustainability standard benchmarking, policy analysis and peer benchmarking, the company identified and screened ESG issues and then evaluated the importance of these issues from two dimensions: impact materiality and financial materiality, based on stakeholder questionnaire survey analysis and expert opinions, and finally formed a double materiality issue matrix. The matrix showed the key issues of the year, including those that are both financial materiality and impact materiality (e.g., product safety and quality, talent development and development, supply chain security, environmental compliance management, response to climate change, etc.). The Board reviewed and approved the results of the Topic Materiality Assessment.

Responsiveness

Canmax's communication with its key stakeholders was diversified, and the key channels included regular information

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About Sustainability Annual Customer-Oriented Excellence Through Integrity as the Foundation Acting Ethically to Win-Win Development 2024 Environmental, Social Canmax Management Themes Product-Focused Talent Empowerment Compliance for the Long Run Drive Green Progress with Strategic Partners and Governance Report



disclosure, employee training and satisfaction surveys, customer service and satisfaction surveys, government policy implementation, supplier audit and training, participation in the formulation of industry standards, community public welfare activities, etc. Evidence indicated that in 2024, Canmax's subsidiaries joined the Critical Minerals Responsibility Initiative (RCI) to promote sustainable procurement of mineral resources and due diligence on conflict minerals in the supply chain.

The report disclosed data on key performance indicators (such as energy use, greenhouse gas emissions (including Scope 1 and 2 emissions), water use, pollutant emissions and waste, employee employment and rights, supply chain, occupational health and safety, etc.), and these performance data were historically comparable to appropriately respond to significant concerns of its stakeholders.

Impact

Canmax has integrated ESG risks (such as environment and safety, climate, business ethics and compliance, business continuity, supply chain) into its operation management and compliance management processes and has continuously improved its internal control system to control risks related to corporate operations and supply chains.

The report disclosed the impact analysis of financial materiality issues and the assessment of risks and opportunities, including the scope of impact and the impact cycle. Evidence showed that in 2024, Canmax has taken corresponding measures (including energy-saving projects, wastewater recycling, digital energy management, etc.) to reduce the impact on the company's operations and the upstream and downstream of the value chain.

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Daniel Pan

Technical Manager of Corporate Sustainability Services TÜV Rheinland (Shanghai) Co., Ltd Shanghai, China, April 3, 2025



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