



STOCK CODE | 300073

Beijing Easpring Material Technology Co., Ltd.

Environmental, Social and Governance Report 2023



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About this Report

The 2023 Environmental, Social and Governance (hereinafter referred to as “ESG”) Report of Beijing Easpring Material Technology Co., Ltd. (hereinafter referred to as “the Report”) is the first ESG report published by Beijing Easpring Material Technology Co., Ltd. (hereinafter referred to as “the Company” or “Easpring”). The Report aims to demonstrate Easpring’s goals, management methods, progress and performance in ESG aspects.

Reporting Period

The Report covers the period from 1 January 2023 to 31 December 2023, and certain contents trace back to previous years with additional description.

Reporting Scope and Boundary

The Report covers Beijing Easpring Material Technology Co., Ltd. and its subsidiaries. The subsidiaries are:

- Jiangsu Easpring Material Technology Co., Ltd. (hereinafter referred to as ‘Easpring Jiangsu’)
- Easpring Technology (Changzhou) New Materials Co., Ltd. (hereinafter referred to as ‘Easpring Changzhou’)
- Easpring Technology (Panzhuhua) New Materials Co., Ltd. (hereinafter referred to as ‘Easpring Shudao (Panzhuhua)’)
- Beijing Zodngoc Automatic Technology Co., Ltd. (hereinafter referred to as ‘Beijing Zodngoc’)
- Beijing Dark Horse Intelligence Equipment Co., Ltd. (hereinafter referred to as ‘Dark Horse’)
- Easpring (Hong Kong) Co., Limited (hereinafter referred to as ‘Easpring (Hong Kong)’)
- Easpring (Hong Kong) Investment Co., Limited (hereinafter referred to as ‘Hong Kong Investment Company’)

Reporting Framework

The Report is prepared in accordance with the Guidelines No. 2 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on ChiNext, the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies on ChiNext - Relevant matters disclosed in periodic reports, and Appendix I Disclosure Requirements for Social Responsibility Report of Listed Companies

The Report is prepared with reference to the Global Reporting Initiative (GRI)’s Sustainability Reporting Standards (hereinafter referred to as “GRI Standards”), the United Nations’ Sustainable Development Goals (hereinafter referred to as “SDGs”), the Recommendations of the Task Force on Climate-related Financial Disclosures (hereinafter referred to as “TCFD”).

Reporting Principles

The Report is prepared in accordance with the GRI reporting principles:

- Accuracy: The Report is intended to provide accurate information. In the process of data collection, collation and analysis, the statistical calibre and calculation basis of quantitative data are clearly defined, and strict review is conducted to ensure that the Report is free from any false records, misleading statements or material omissions.
- Balance: The contents of the Report reflect objective facts and present an unbiased view of the Company’s performance in all aspects of ESG, striving to avoid any content that may affect the decisions or judgements of relevant parties.
- Clarity: The Report provides supporting content such as charts and definition of terms, as well as a table of contents and a benchmark index table of ESG-related standards to help relevant parties quickly locate the required content.
- Comparability: The Report and subsequent annual ESG report use consistent disclosure and statistical methods.
- Completeness: The scope of information disclosed in the Report covers Beijing Easpring Material Technology Co., Ltd. and its subsidiaries unless otherwise stated.
- Sustainability context: Based on current sustainable development trends, the Report identifies possible or potential impacts on stakeholders in environmental, social and governance aspects and provides information on the Company’s management approach and performance.
- Timeliness: This is an annual report and is issued simultaneously with the Company’s 2023 annual report, providing stakeholders with timely information for decision-making.
- Verifiability: The source and calculation process of the quantitative data disclosed in the Report are traceable and can be used to support external verification.

Notes to the Report’s Data and Reliability Warranty

The financial data quoted in the Report are from the annual report 2023 of Beijing Easpring Material Technology Co., Ltd. and other data are from the Company’s public information, internal official documents and relevant statistics. The currency in the Report is RMB unless otherwise stated.

Report Access and Response

The Report is published in both English and simplified Chinese. In case of any divergence, the simplified Chinese version shall prevail. Readers can view and download the electronic document of the Report from the Easpring’s official website (<http://www.easpring.com>) and CNINFO (<http://www.cninfo.com.cn>). If you have any questions, suggestions and comments on the Report, please contact the Company through the following ways.

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Message from our Chairman

The core value of ESG relies on sustainable development. Realizing sustainable development is the core task of global governance and building a community with a shared future for human. As a strategic emerging and upraising industry, the new energy sector shoulders the responsibility of promoting global sustainable development and green-oriented, low-carbon transition of energy.

In the past year, against the backdrop of continuous slowing down in the global economy and upgrading of the industrial structure, the new energy industry continued to inject new vitality and momentum into global economic growth. In 2023, the global sales volume of new energy vehicles exceeded 14 million and reached a record high amount. Among them, the sales volume of new energy vehicles in China reached 9.5 million, and the export volume of new energy vehicles exceeded 1.2 million, ranking the first in the world. New energy vehicles are becoming the "new signatory name card" of China.

Lithium battery is one of the core components of EV battery, and the cathode material is the key to determine the performance of lithium battery. As a technology leader in the global lithium cathode material industry, Easpring has continued to make great efforts in green-oriented low-carbon, technological innovation, intelligent manufacturing, social welfare and other aspects, actively participated in global environmental governance and climate change, and practice corporate responsibility with practical actions.

In 2023, under the background of profound changes in the competitive pattern of the new energy industry, we realized the net profit attributable to shareholders of listed company was 1,924.2647 million RMB, and the net profit after non-recurring profit or loss attributable to shareholders of the listed company was 1,979.7555 million RMB. The overall operating performance and profitability of us continue to maintain at the advanced level of the industry.

We aim to promote the synergy of anti-pollution and carbon reduction work, efficient recycling used ammonia, heavy metal, and hence to realize nearly zero production wastewater emissions, building of the total capacity over 8MW distributed photovoltaic facilities, realize spontaneous power consumption over 1.4 million kWh, obtain UL2809 recycled material content certification, awarded Green Factory in Jiangsu province and green development leader in 2023.

We focus on R&D investment and promote scientific and technological innovation. In 2023, we have 412 scientific research and technical professionals, among which, master degree and doctoral degree account for 40.29%, and the total R&D investment exceeds 400 million RMB. We formulate in high nickel-Ni NCM, ultra-high nickel NCM and Mid-Ni medium nickel high voltage NCM materials in a complete product layout, NCM for Solid State Battery, New Type Li-Mn-rich material, new Lithium rich Manganese base oxide, and cathode material for sodium-ion battery, for represented by R&D investment of "lithium battery materials, new energy materials and new materials" and made remarkable results, as to provide a more secure, more efficient and more green energy use solutions in global region.

We practice "safe and reliable, green and efficient, intelligent and wisdom" construction concept, built leading intelligent manufacturing factory, implements the production process, data acquisition automation, production operation visualization and production control, management efficiency gets real-time promotion and continuous optimization, digital transformation gets great achievement, improving production efficiency by 25%, improving equipment comprehensive efficiency by 38% also, and successfully listed in the Ministry of Industry and Information Technology 5G factory in 2023.

We actively perform the social responsibility, for fusion up our development and social welfare, to carry out the vulnerable groups support, consumer poverty alleviation and charitable donation, through the "Pursuing Dreams of Education" activity helping 12 employees earning the right colleges and universities, achieving educational upgrade of young employees degree, continue to promote sustainable development of employees, enterprise and social.

In 2024, we will continue to uphold the "create a first-class enterprise and continuously contribute to the ecological civilization era" of the corporate mission, strengthen confidence and determination of high quality development, exploit our technical advantage of science and technology. We seize the opportunities of industry development and stay with customers, shareholders, employees and industrial buddies such stakeholders to achieve effective environmental protection, as to maintain effective use of resources and sustainable economic growth.



Li Jianzhong

Chairman of Easpring



01 About Easpring

Company Profile

Development History

Corporate Honours

Beijing Easpring Material Technology Co., Ltd. (hereinafter referred to as “Easpring”, stock code: 300073) is a listed company under BGRIMM Technology Group (Beijing General Research Institute of Mining & Metallurgy). Easpring was listed on the ChiNext board of the Shenzhen Stock Exchange in April 2010 and is mainly engaged in the businesses of LIB cathode materials and intelligent equipment.

Company Profile

Main Business Layout and Products

 LIB cathode materials:

The Company is mainly engaged in the R&D, production and sales of Lithium Nickel Cobalt Manganese Oxide, Lithium (Manganese) Iron Phosphate, Lithium Cobalt Oxide and other LIB cathode materials and Multiple Elements Precursor. Besides, we have made breakthroughs in solid-state LIB, Sodium Nickel Cobalt Manganese Oxide, Lithium-rich Manganese-based Oxide Cathode and other cathode materials through multi-dimensional layout of forward-looking products. Furthermore, we have created six series of cathode material products with independent intellectual property rights, which are widely used in three major fields of EV batteries, energy storage batteries and high-end digital batteries, and are supplied in large quantities to battery giants and automobile companies in countries and regions such as China, Japan, South Korea, Europe and the United States.

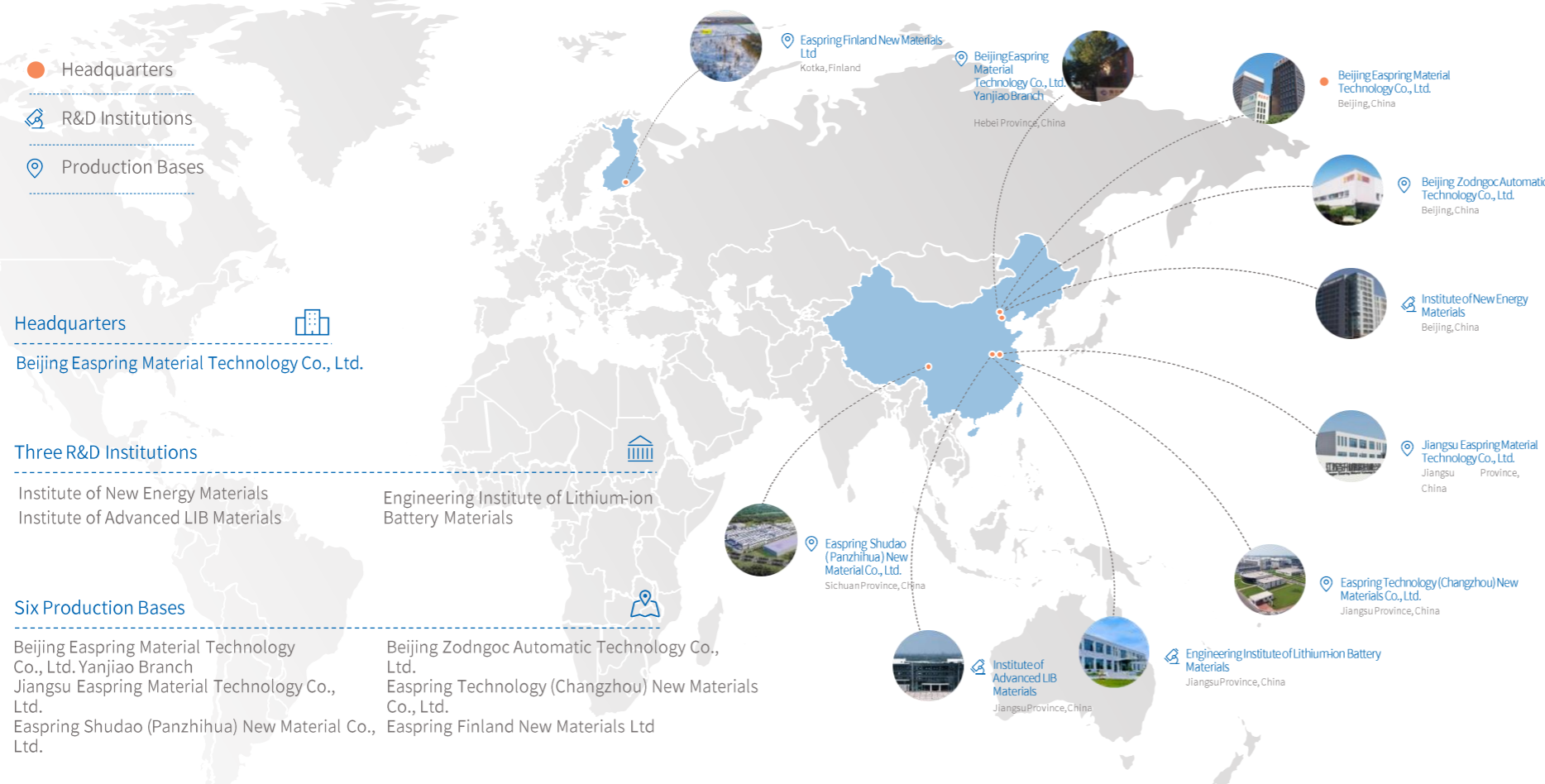


Intelligent equipment:

The Company has always focused on the R&D, production and sales of high-end intelligent equipment and its core control and functional components. As one of the first domestic enterprises to develop and produce rotary die-cutting equipment, our products include rotary die-cutting machine and CCD inspection machine, which are mainly used in consumer electronics, medical, health, food packaging and other fields.

Global Operation

Headquartered in Beijing, the Company has six production bases in Tongzhou District of Beijing, Sanhe City of Hebei Province, Changzhou and Nantong City of Jiangsu Province, Panzhihua City of Sichuan Province and Kotka in Finland (including production bases that are under construction and to be built). We also has three R&D institutions: Institute of New Energy Materials, Institute of Advanced LIB Materials and Engineering Institute of Lithium-ion Battery Materials. Also, we has subsidiaries in Hong Kong SAR, Luxembourg, Finland and other places.



Corporate Culture

Corporate mission
To create a first-class enterprise and continuously contribute to the ecological civilization era

Corporate vision
To build a world's top-ranking innovative enterprise
To be a respected leader in LIB cathode material industry
Set up a stage for strivers to realize their dreams

Corporate values
To be customer-centered, striver-oriented, long-term hard work, sustainable innovation.

Management philosophy
Everyone has his own place, his own responsibility, and his own talent to be applied in his work.
Everything has its own place, being in its own position and resources to be utilized.

Business philosophy
Honest Diligent Pragmatic Innovative

Employment philosophy
To choose talents with virtue and potential

Talent cultivation philosophy
To develop talents and help them make progress

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

Development History



1992

Originated from a BGRIMM Technology Research Group

1998

Beijing BGRIMM Electronic Material Development Center was established

2001

Beijing Easpring Material Technology Co., Ltd. was established after restructuring

2002

Easpring entered the cathode material market and achieved mass production of LCO

2005

Easpring became the first Chinese LCO exporter to the Korean market

2007

Renowned venture capital was introduced. Yanjiao Plant in Hebei province was completed, with 2,880-tonne materials put into operation in the Phase I project

2009

Easpring became the first domestic LCO and LMO exporter to the Japanese market

2018

Private placement funds of RMB 1.5 billion were raised, and Easpring Technology (Changzhou) New Materials Co., Ltd. was established

2017

Easpring Jiangsu's Phase II Stage II project of 4,000-tonne new power LIB cathode materials was completed and put into operation

2016

Easpring Jiangsu's Phase II Stage I project of 2,000-tonne new power LIB cathode materials was completed and put into operation, making the Company the first Chinese exporter of NCM LIB materials for energy storage

2015

Easpring acquired Beijing Zodngoc, entering the field of intelligent equipment, and becomes the first Chinese exporter of NCM LIB materials

2014

Easpring Jiangsu completed the first domestic automated production line of power lithium battery materials, with 2,340-tonne LIB cathode materials completed and put into operation in the Phase I project.

2012

Easpring Jiangsu and Easpring (Hong Kong) were established

2010

Easpring was listed on the ChiNext of the Shenzhen Stock Exchange raising funds of RMB 720 million, with the annual production capacity of lithium battery cathode materials in Yanjiao Plant in Hebei province expanded to 7,056 tonnes

2020年

Easpring was selected as the "Reform Model of Scientific and Technological Enterprises" by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), with Easpring Jiangsu's Phase III project of 8,000-tonne materials completed and put into operation

2021

Easpring was selected as the "Management Benchmark of Key State-Owned Enterprises" by the SASAC and raised the funds of RMB 4,645 million from specific investors, with Easpring Changzhou's Phase I project of 20,000-tonne high-nickel multicomponent materials completed and put into operation

2022

Easpring was selected as the "Corporate Governance Model of State-owned Enterprises" by the SASAC

2023

Easpring Changzhou's Phase II project of 50,000-tonne high-nickel multicomponent materials completed and put into operation, Easpring was selected as one of creating world-class model enterprises with the feature of specialisation, refinement, uniqueness and innovation, with Easpring Shudao (Panzhuhua) New Material Co., Ltd. established

Corporate Honours



Intelligent Manufacturing
Demonstration Workshop in
Jiangsu Province

Industry and Information Technology
Department of Jiangsu



Excellent Enterprise in
Jiangsu Province
Jiangsu Provincial People's
Government



2023 Green Leading Enterprise in
Jiangsu Province

Department of Ecology and
Environment of Jiangsu Province
Jiangsu Federation of Industry and
Commerce



Green Factory in Jiangsu Province
Industry and Information
Technology Department of
Jiangsu



2022 Golden Bull Most Valuable
Investment Award
China Securities Journal



The 17th Awards of the Value of
Top 50 Listed Companies on
the ChiNext Board
Securities Times



Excellent Enterprise with Harmonious
Labour Relations in Jiangsu Province

Department of Human Resources and Social
Security of Jiangsu Province, Jiangsu Province
Federation of Trade Unions, Industry and
Information Technology Department of
Jiangsu, Jiangsu Enterprise
Federation/Entrepreneurs Association, Jiangsu
Federation of Industry and Commerce



Top 15 Most Promising
Enterprises in China
World Power Battery
Conference



02 Promoting Sustainable Development

Easpring is guided by the United Nations 2030 Sustainable Development Goals (SDGs), and it continues to promote sustainable development management into daily operations. In order to achieve optimal resources and allocation, Easpring has established the ESG vision, policy and governance system, continuously participates in the communication with stakeholders, evaluates and ranks the material topics of ESG, actively carries out works for responding to changes, and implements the concept of sustainable development management with practical actions.

Sustainable Governance

Communication with Stakeholders

Materiality Assessment

Response to Climate Change



Sustainable Governance

Sustainable Governance Strategy

Adhering to the mission of “create a first-class enterprise and continuously contribute to the ecological civilization era”, Easpring is committed to pursuing green, high-quality and sustainable development to contribute to new energy revolution and global goals of “carbon neutrality”.

As a responsible corporate citizen, we constantly improve the technological innovation mechanism, accelerate the green and low-carbon transformation and fully leverage the strengths of customers, shareholders, employees, suppliers and the community to form a “community of shared future” that people are closely bonded and share common value and sustainable development together. During the reporting period, we formed our ESG vision, concept and governance system based on our strategic goals and sense of values.

ESG Vision

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

ESG Policy

sustaining innovation

excellent quality

green cycle

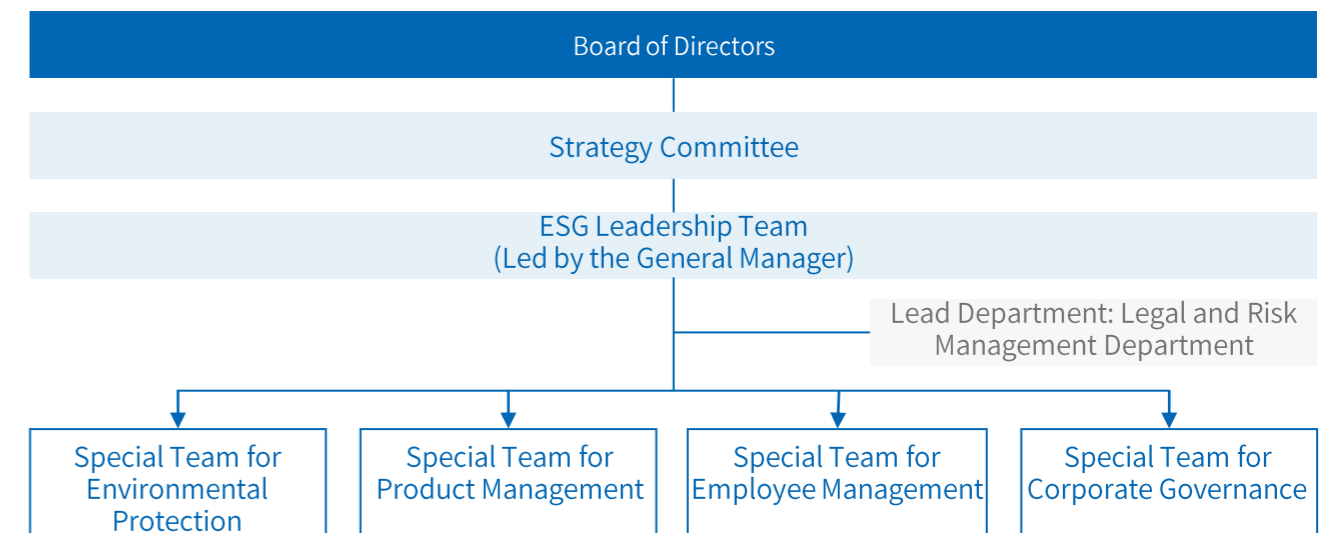
compliance governance

harmonious sharing

Sustainable Governance Structure

Easpring has established an ESG management system with complete structure, clear hierarchy, clear rights and responsibilities and efficient operation, and defined the work responsibilities of all levels, departments and positions, so as to provide organizational guarantee for the ESG work of the company.

As the highest body of decision-making and responsible for the sustainable development of Easpring, the Board of Directors is responsible for reviewing our ESG report. The Strategy Committee of the Board of Directors is responsible for guiding and supervising the implementation of the ESG work and reporting to the Board of Directors. During the reporting period, the board of directors and the strategy committee of the company gave full use of their professional advantages to conduct forward-looking research and scientific decisions in ESG governance and other aspects, reviewed and adopted the ESG Management Measures, identified and managed the substantive issues of the company, and completed the review of ESG report.



During the reporting period, the Company established an ESG internal collaboration work mechanism, defined the workflow of the ESG working group, all functional departments, subsidiaries and branches. This formed a working mechanism with clear rights and responsibilities, standardised processes and collaboration at different levels, which was coordinated by our management, implemented by functional departments, and participated in by affiliated units.

Key Actions for Sustainable Development

Easpring has benchmarked against the United Nations Sustainable Development Goals (SDGs), seized the opportunities for sustainable development transformation in the new era, and focused on key ESG areas closely related to our operation. We have integrated sustainable development at all levels from the Board of Directors to the executive departments, so as to substantially contribute to the United Nations SDGs.

Key actions of the Company

Goal 1 No poverty

Easpring addresses the development challenges of assisted areas through pro-consumption poverty alleviation, cash donation and on-site visit. Also, we continuously work to consolidate and expand the achievements in poverty alleviation, contributing to the development of impoverished areas that need to be removed from the poverty list as well as the rural revitalization initiative.

Goal 2 Zero hunger

Easpring continuously increases investment in public welfare and charity, providing financial, employment, and educational support to the economically disadvantaged groups.

Goal 3 Good health and well-being

To ensure the health and safety of employees, Easpring has set and achieved the goal of “zero death, zero fire, and zero new occupational disease case” .

We have achieved 100% rectification rate of safety hazards and 100% completion rate of occupational health check-ups for employees.

Goal 4 Quality education

Easpring has offered support to paired assistance targets, continually improving and optimizing the learning and living environment to meet the learning and activity needs of the children.

Since the launch of ‘Pursuing Dreams of Education’ programme, we have provided employees with places to study, such as the ‘Employee Book Room’ , to continuously improve the capabilities of our youths and foster the development of industrial workforce.

Goal 5 Gender equality

Easpring values the diversity of the Board of Directors, and continuously increases the proportion of female directors. Easpring provides care and attention to female employees to create a corporate atmosphere with humanistic care.

Goal 6 Clean water and sanitation

Easpring has built green factories that meet clean production requirements. We have also established a sound environmental management system, ensuring compliant treatment and disposal of pollutants, continuously optimizing the technology and facilities for pollutant treatment, and striving to reduce pollutant emissions.

Goal 7 Affordable and clean energy

Easpring has achieved constant breakthroughs in battery cathode material research. We have built a forward-looking R&D layout to provide technical solutions for the application and promotion of new energy, promoting social energy transformation.

We have also developed and continuously increased investment in renewable energy infrastructure, actively implemented energy-saving technology improvement projects to improve the efficiency of energy use.

Goal 8 Decent work and economic growth

Easpring creates an equal, harmonious and diversified work environment, in which jobs and employment opportunities are offered for the disabled.

We establish a ‘3+N’ incentive system to encourage the value creation of management team and core leaders.

Goal 9 Industry, innovation and infrastructure

To achieve our goal of building an industry-leading enterprise, we have increased our competitiveness in multi-component materials and precursors by accelerating the high-quality R&D of cathode materials.

We have strengthened product quality management, upgraded intelligent manufacturing, and achieved a dual improvement in quality and efficiency.

Goal 10 Reduced inequalities

Easpring has formulated and released the Human Rights Policies. In the meantime, we also have provided diversified care and benefits to create an equal and inclusive work environment.

We are also committed to providing equal employment opportunities and hiring employees from diverse ethnic backgrounds. The proportion of minority representatives in the our management accounted for 12%.

Goal 11 Sustainable cities and communities

To build a water-saving enterprise, Easpring carries out daily operation and maintenance and the implementation of special projects of water-savings equipment, effectively reducing municipal water use, alleviating the pressure on social water resources, and contributing to sustainable urban and community construction

Goal 12 Responsible consumption and production

Easpring adheres to sustainable development by increasing the proportion of clean energy usage, implementing energy-saving and carbon reduction measures as well as reducing pollutant emissions.

We consistently work to build a green and sustainable supply chain that centers on producing green products and is characterized by recycling and low-carbon practices, openness and transparency and mutual benefits. Easpring has established its green supplier evaluation system and continues to improve its green procurement standards and incorporate key indicators of carbon management, such as total carbon emissions and carbon footprint intensity, into the supplier evaluation system. Moreover, it has also promoted the recycling and utilization of raw materials such as cobalt, nickel, and lithium in the industrial chain.

Goal 13 Climate action

Easpring actively responds to climate change, and identifies climate-related risks, with superior resources accurately invested in the actions to deal with climate risks.

We deploy clean business strategies, build zero-carbon factories, plan for carbon neutral and peak carbon development pathways, foster the green and low-carbon transformation of the business.

Goal 14 Life below water

Easpring unceasingly optimizes our production wastewater treatment process to achieve “near-zero emission” of production wastewater.

We have reused over 90% of washing water though the renovation for reusing wastewater from precursors.

Goal 15 Life on land

New projects are strictly implemented in accordance with the requirements of environmental assessment, and the construction of projects meets the ecological environment zoning control requirements of “Three Lines and One List” (the ecological conservation redline, the environmental quality bottom line, the resource utilization upper limit line, and the list for eco-environmental permits).

We prefers to carry out sustainable cooperation with supplier partners who provide environmentally friendly products or services, to achieve savings in both production resources and manufacturing cost.



Goal 17 Partnerships for the goals

Easpring collaborates with business partners from the upstream and downstream of the value chain, aiming at continuously deepening the interactions with cooperative partners in the industry through technical exchanges.

We are committed to optimizing customer service quality, improving customer satisfaction and responding to customer needs in a timely manner.

Goal 16 Peace, justice and strong institutions

Easpring consistently conducts the monitoring of business ethics and anti-corruption management, effective operation of the risk control management system to make improvements in the compliance management.


We has a 100% signing rate of the Letter of Integrity Commitment among employees and the Sunshine Cooperation Agreement among suppliers.

Communication with Stakeholders

Easpring respects the demands of stakeholders and, based on the principles of integrity, interaction, equality and transparency, it has established regular and multi-form communication channels to maintain a close relationship with stakeholders and collect their opinions on our sustainable development as a major basis to improve our operating policies and sustainable development strategies and to build a harmonious and stable relationship with stakeholders.

During the reporting period, in accordance with GRI Standards, AA1000 Stakeholder Engagement Standard and other international standards and guidelines regarding stakeholder communication, we regularly recorded, measured and reviewed our communication with stakeholders, and made timely improvement of the communication mechanism based on their feedback, in a bid to constantly build up a time-based communication channel with higher efficiency.

Overview of our communication with each stakeholder:

Stakeholders	Expectations	Communication Channels
 Government and regulators	<ul style="list-style-type: none"> Compliance in operation Integrity of management Product innovation and R&D Pollutant management Energy management 	<ul style="list-style-type: none"> Implementation and communication of regulatory policies Daily approval and supervision Discussions through meetings Information submission
 Customers	<ul style="list-style-type: none"> Product quality and safety Customer service and communication Responsible supply chain Response to GHG emissions and climate change Information security and privacy protection 	<ul style="list-style-type: none"> Official website, SMS, telephone and other interactive platforms Customer satisfaction surveys Product exhibition Client visit Technical seminars
 Shareholders and investors	<ul style="list-style-type: none"> Compliant operation Economic performance Governance structure Product innovation and R&D Intellectual property management 	<ul style="list-style-type: none"> Disclosure of bulletins Explanation sessions for the achievements Q&A sessions Hotline for investors Survey visits for the researches Presentations for the relevant institutions

Stakeholders	Expectations	Communication Channels
 Suppliers	<ul style="list-style-type: none"> Industry cooperation and development Responsible supply chain Fair competition Integrity of management 	<ul style="list-style-type: none"> Review and assessment of suppliers Training for suppliers Meetings with suppliers Industrial conferences Technical exchanges
 Directors and senior management	<ul style="list-style-type: none"> Compliance in operation Risk prevention Occupational health and safety Product innovation and R&D Product quality and safety Employees rights, benefits and welfare 	<ul style="list-style-type: none"> Regular internal meeting Internal publication, intranet, and other platforms Company email Company training
 Employees	<ul style="list-style-type: none"> Occupational health and safety Employment and labour standards Employee development and training Employee rights and benefits Chemical Safety 	<ul style="list-style-type: none"> Employee satisfaction survey Labour Union and Workers' Congress “QR code” online processing platform Reception day for the management Suggestion box Seminar for employees
 Communities	<ul style="list-style-type: none"> Public welfare and charity Employment and Labour Standards Pollutants management Water resources management Volunteer service 	<ul style="list-style-type: none"> Paired assistance plan Employee volunteer service Community service activities Open Day for family members
 Media and non-governmental organisations	<ul style="list-style-type: none"> Product innovation and research and development Fair competition Social welfare and charity Information security and privacy protection 	<ul style="list-style-type: none"> Press conference Media interviews Information disclosure Industry exhibition Communication and exchanges visits

Materiality Assessment

Based on GRI's suggestions on double materiality analysis of material topics, we have established a materiality assessment to identify the key ESG topics that are significant to us.

During the reporting period, Easpring established a pool of ESG issues through a comprehensive assessment of the business posed impacts on stakeholders and, based on internationally recognized sustainable development goals and frameworks as well as the domestic and overseas policies and regulations on sustainable development and industry best practices, and the suggestions of external experts.

The stakeholder questionnaire survey was arranged, and the online survey questionnaires were distributed to 11 types of stakeholders, with a total of 155 questionnaires collected. As a result, the stakeholders' interests in each issue were identified. After communicating with relevant stakeholders and external experts, 21 material topics were eventually determined. In this case, the reporting scope and boundary are determined, and the approval of the Board of Directors is also obtained.

Establishment of ESG topic pool

Considering key information such as our “activities” and “business relationship”, “sustainable development background” and “stakeholders” profile, referring to peer practices and expert opinions, we identify the actual and potential impacts of ESG topics related to us, and then form the Easpring ESG topic pool upon our analysis and summary.

1

Stakeholder survey

After determining stakeholder types and communication methods, we carry out questionnaire survey to understand the degree of concern of internal and external stakeholders to various ESG topics, and require them to score the impact degree of such topics in the pool.

2

Materiality assessment and ranking

We review the questionnaire feedback and scoring results, comprehensively evaluate the impact of each topic on stakeholders and our business, and rank each issue with reference to expert opinions, thereby generating the material topic matrix.

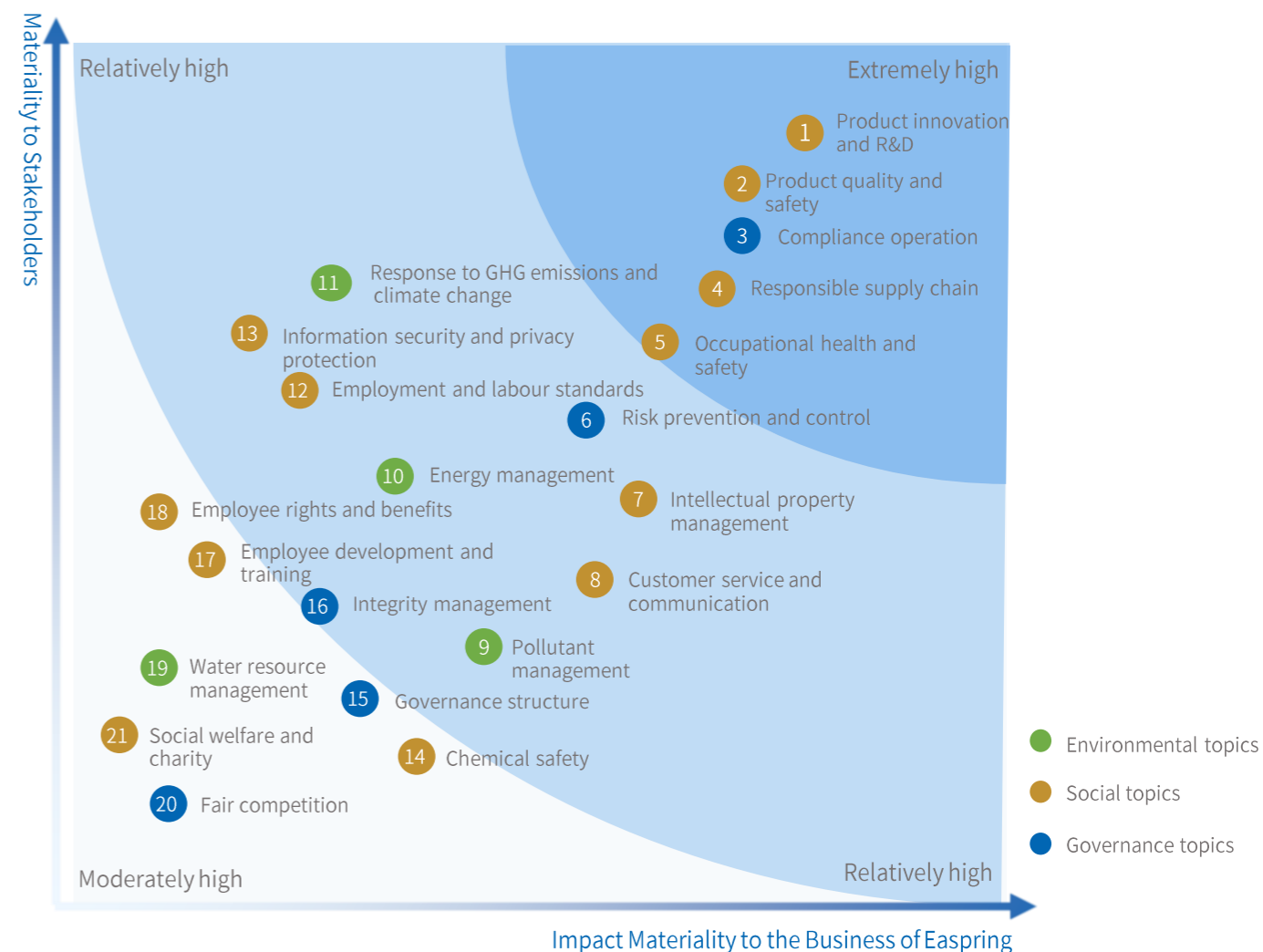
3

Topic identification and reporting

The Board of Directors consider and adopt ESG material topics to ensure their consistency with our ESG management practices, and disclose such topics in the annual ESG report.

4

Material topics ranking matrix



Response to Climate Change

Climate Governance Framework

Facing the increasingly profound climate change across the globe and taking the opportunity of building Beautiful China in an all-round way, Easpring continues to deepen the reform of the climate governance structure and gives full play to the core leadership role of our Carbon Leading Group. Adhering to the idea of “strategic guidance, systematic thinking, highlight key points, and steady progress”, we have coordinated the implementation of energy conservation and emission reduction measures of each subsidiary, thereby effectively enhancing our capacity to manage climate change risks, and building a Beautiful China under concrete actions.

Pursing the concept of “integration and cohesion” in the optimisation of corporate systems, Easpring maintains smooth reporting channels regarding the internal governance between the headquarters and subsidiaries/branches and departments and unites all units and departments to cope with climate change, thus ensuring our consistency in action and progress when handling climate risks.

Management of Climate Risks

Being enabled to accurately identify climate risks is the prerequisite for us to take action on climate change. Under the guidance of TCFD, we have followed the development trend of the industry and the status quo of corporate development, classified and ranked relevant climate risks in the light of probability of occurrence, impact degree, expansion of time limits, spill over effect and other key factors to ensure that the premium resources are accurately invested in the action to deal with the most relevant climate risks.

Physical risks				
Type	Time Range	Climate-related risks	Potential impact to us	Our measures
Acute risks	Short and medium term	Extreme weather, including rainstorm, typhoon, flood, high temperature and snowstorm	<ul style="list-style-type: none"> Destroy the production or office equipment, resulting in the loss of high-value assets or environmental damage Endanger employees' commuting and working safety, which may cause accidents, prolong the supply cycle of raw materials, and disrupt the normal production progress 	<ul style="list-style-type: none"> Develop production emergency plans for extreme weather and carry out emergency drills, such as flood control emergency drill, environmental emergency drill and power failure drill Adjust production and employment policies in extreme weather, such as taking heat dissipation measures for equipment during high temperature, issuing high temperature subsidies for employees, and making timely notification of working from home Consider the impact of extreme weather (e.g., rainstorm) ahead in the project design, and decide the total drainage capacity of rainwater according to the rainfall return period within 10 years Purchase production auxiliary materials locally and establish cooperation with suppliers within the province to build a “one-hour logistics circle”

 Transition risks

Type	Time Range	Climate-related risks	Potential impact to us	Our measures
Policy and legal risks	Short and medium term	Tightening carbon emission management policies and regulations	<ul style="list-style-type: none"> Increase the cost of compliance in carbon emissions. For the failure of complying with the latest carbon emission policies or regulations, it may lead to obstruction for the business and the risk of lawsuits or claims 	<ul style="list-style-type: none"> Pay close attention to the development of relevant policies and regulations in the place of operation and product sales, strengthen external communication and coordination, and establish and improve our carbon management response mechanism Develop procedures for carbon emission accounting management, carry out annual accounting of carbon emission and the carbon footprint of products, identify major emission sources, and obtain ISO 14064 and ISO 14067 certifications
Technical risks	Medium and long term	Transition to low-carbon production technologies	<ul style="list-style-type: none"> Accelerate the transformation of high-carbon emission processes and equipment towards low-carbon approach. If encounters failure to develop and apply new green production technologies in a timely manner, a lower product competitiveness may be resulted 	<ul style="list-style-type: none"> Conduct analysis of product life cycle carbon footprint of existing major products, identify the high-emission stage in the product life cycle, and obtain ISO 14044 certification Explore the potential of green emission reduction of the product life cycle, explore the potential of carbon reduction and emission reduction, and enlarge investment in low-carbon research and development Launch the DCS system, and promote the effective scope of emission reduction management from the factory level to the workshop level, process level and equipment level Conduct research and adopt low-energy production equipment, and introduce efficient sintering, waste heat recovery and other new production technologies
Market risks	Short and medium term	Shift of consumers' preference towards low-carbon products	<ul style="list-style-type: none"> Face pressure from creating low-carbon supply chain at the customer side and loss of market share due to products with high carbon footprint 	<ul style="list-style-type: none"> Increase the proportion of clean energy usage, self-build photovoltaic power generation facilities, and achieve grid-connected power generation Launch energy-saving and technical improvement projects and promote carbon emission reduction from the internal operation process Establish a green procurement system
Reputation risks	Medium and long term	Performance of coping with climate change and sustainable development	<ul style="list-style-type: none"> Pressure from stakeholders of expecting Easpring to take more responsibility for reducing emissions. If one fails to conduct low-carbon transformation planning in advance, it may lead to reputation damage 	<ul style="list-style-type: none"> Emphasize the importance of clean technology development, gradually improve the carbon management system to enhance our resilience against climate change, and practice sustainable development

The Company promotes the transformation towards green and low-carbon economy, and seizes the opportunities of climate change. We build up a carbon management system, implement the emission reduction plan throughout the product life cycle, and develop a clean production strategy. Thus, the GHG emissions are reduced under our efforts in strengthening the intelligent energy management and control, resources recycling, improvement of energy efficiency, burning of clean energy and other vital measures. During the reporting period, the Company developed measures for carbon emission accounting management, carried out annual accounting of carbon emission and the carbon footprint of products, identified more than 200 major emission sources, and obtained ISO 14064-1: 2018 Organisation Carbon Emission Authentication Certificate and ISO 14067: 2018 Product Carbon Footprint Authentication Certificate issued by SGS, the internationally renowned certification body. For further information of carbon emission data, please refer to Appendix I Table of Key Environmental Indicators.



03 Corporate Governance

A thorough corporate governance system is the cornerstone of long-term and healthy development of enterprises. Easpring actively explores sustainable management mode, strengthens its governance efficiency and protects the rights and interests of shareholders, and scales up the ESG governance to the Board of Directors. Efforts have been put to constantly optimise the comprehensive risk management system, enhance internal control and compliance requirements, promote the build-up of an integrity management system, protect shareholders' rights and interests, and practice a sound corporate governance so as to lay a solid foundation for our steady development.

- Governance System
- Compliance Operation

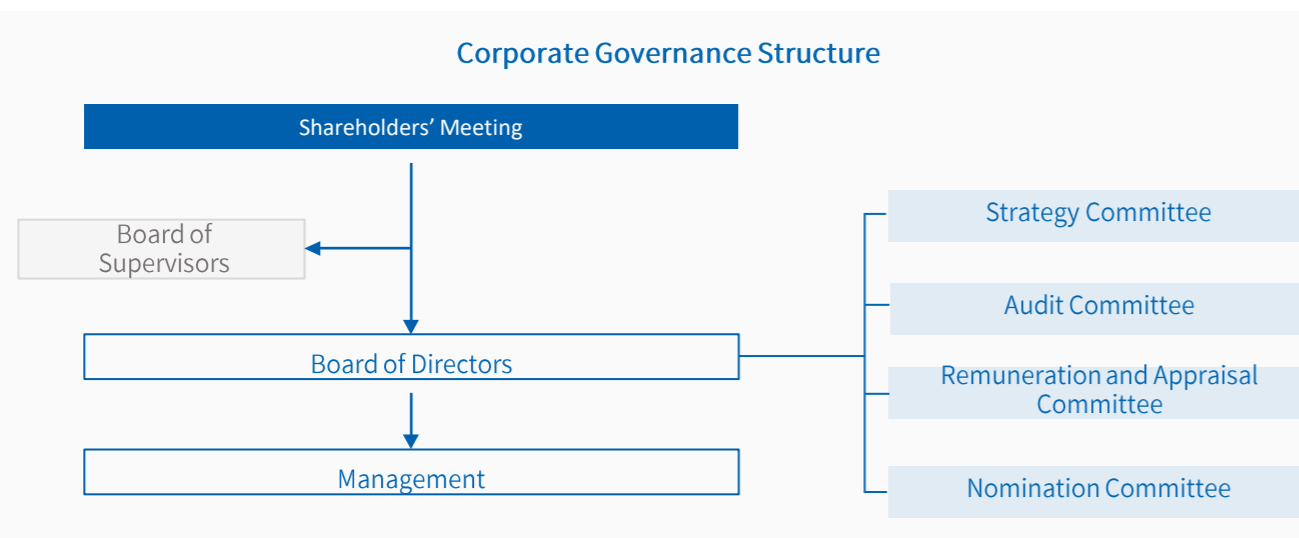
Governance System

By building a sound, effective and transparent corporate governance structure, Easpring strengthens its internal and external supervision, checks and balances, safeguards the legitimate rights of all shareholders, especially minority shareholders, and ensures that they are treated fairly. In addition, Easpring also respects the basic rights and interests of stakeholders, effectively enhancing its own overall value.

Governance Structure

Easpring always abides by the regulatory requirements and international rules based on the modern enterprise system, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, Shenzhen Stock Exchange ChiNext Listing Rules, the Guidelines No. 2 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on ChiNext, other relevant laws and regulations and normative documents. Under this circumstance, Easpring has established a corporate governance structure with clear powers and responsibilities, coordinated operation, effective checks and balances, and scientific decision-making, effectively guaranteeing the fairness and scientific nature of corporate governance decisions, and safeguarding the legitimate rights and interests of Easpring and our stakeholders. Additionally, Easpring also gives full play to the role of the supreme authority of the General Meeting of Shareholders, the major decisions of the Board of Directors, the supervision of the Board of Supervisors, the execution of the management, and the special committees of the Board of Directors in supporting the decision-making of the Board of Directors.

The Board of Directors has set up four specialised committees under the Board of Directors, namely the Strategy Committee, the Audit Committee, the Remuneration and Assessment Committee, and the Nomination Committees. We makes every effort to support the decision-making of the Board of Directors, the highest authority of the General Meeting of Shareholders, the major decisions of the Board of Directors, the supervision of the Board of Supervisors, the implementation of the management, and the special committees of the Board of Directors.



Performance of Duties

Easpring has convened the general meeting of shareholders, and the meetings of the Board of Directors and the Board of Supervisors in strict accordance with the provisions and requirements of the Articles of Association, the Rules of Procedure of the General Meeting of Shareholders, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board of Supervisors.

Meetings held in 2023

Meeting	Times	Proposals and Reports Reviewed
General Meeting of Shareholders	3	Deliberation of 20 proposals
Board of Directors Meeting	7	Deliberation of 47 proposals
Board of Supervisors Meeting	5	Deliberation of 21 proposals



During the reporting period, Li Jianzhong, our Chairman, was awarded the “Golden Bull Award 2022 - Outstanding Entrepreneur” . Meanwhile, our Secretary of the Board of Directors, Zou Chungge, was awarded the “Sunshine Secretary of the Board of Directors of China's Listed Companies” and the “Golden Bull Award 2022 - Secretary of the Board of Directors” . In addition, Easpring was awarded the “Best Practice for the Board of Directors of Listed Companies in 2023” by the China Association for Public Companies.

Golden Bull Award 2022 Outstanding Entrepreneur



Golden Bull Award 2022 - Secretary of the Board of Directors



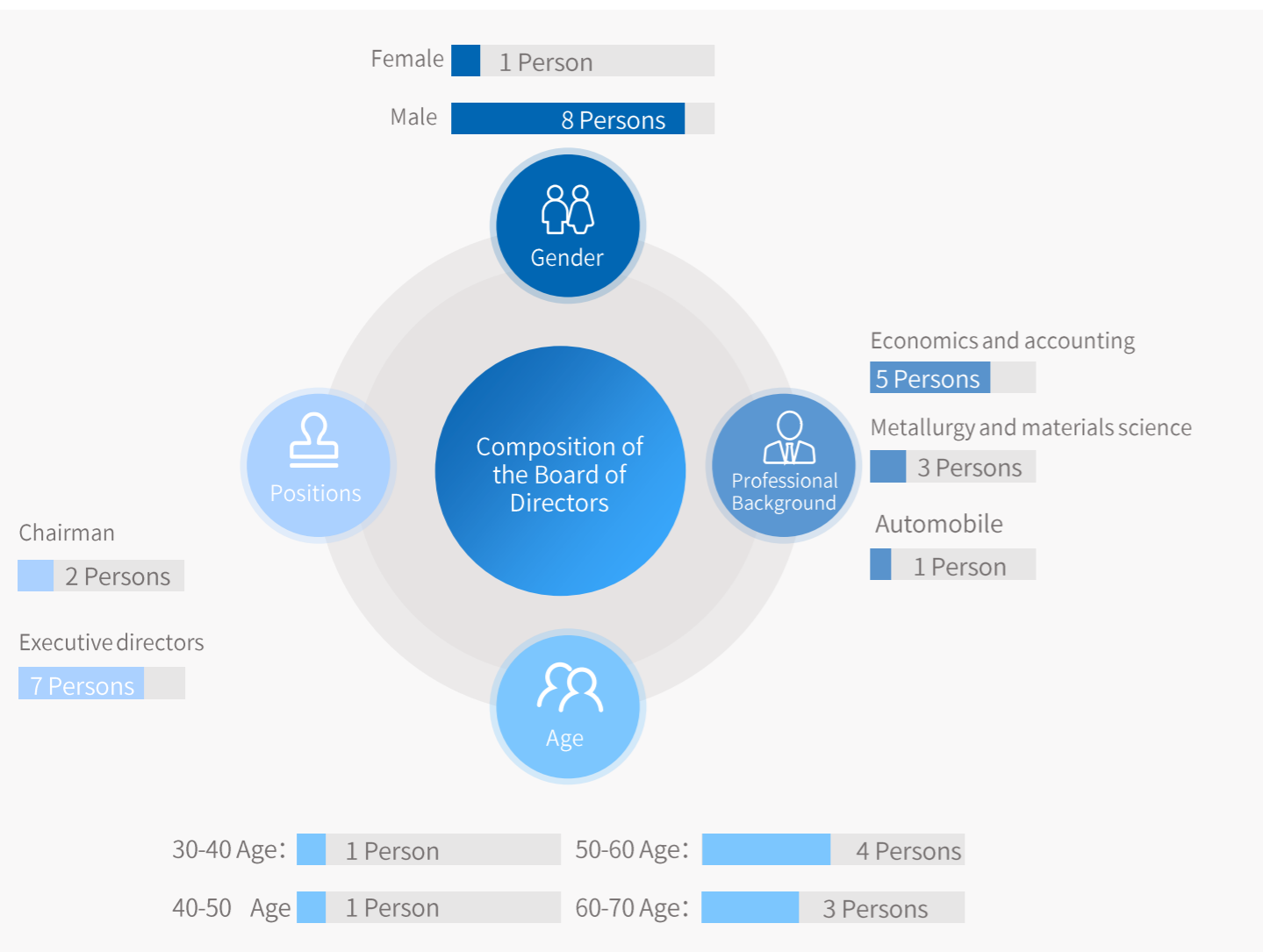
Best Practice for the Board of Directors of Listed Companies in 2023



Diversification of the Board of Directors

The diversity of the Board of Directors is conducive to promoting the exchange and integration of views and experience from multiple perspectives, helping the Board of Directors make better decisions. Easpring continues to improve the independence, professionalism and the diversity of the Board of Directors, considering the diversity of the members of the Board of Directors from the aspects of gender, age, educational background, expertise, career history, professional titles, etc.

As of the end of the reporting period, our Board of Directors comprises 9 members, namely 2 executive directors and 7 non-executive directors. There was 1 female director, accounting for 11.11% of the total. Easpring's directors come from different backgrounds, such as the corporate governance, the R&D of new energy automobile technology, internal financial controls, industrial investment and capital operations, which helped form a reasonable professional structure.



During the reporting period, Easpring revised and improved the work system for the Administration of Independent Directors and specific rules of the special committees of the relevant Board of Directors, providing convenient conditions for independent directors to perform their duties, and further clarifies the role positioning of independent directors in the 'participation in decision-making, supervision and balance, and professional consultation'. The establishment of 3 independent directors by the Company, accounting for one-third of the Board of Directors, guarantees a more effective functioning of the Board of Directors.

The Audit Committee, the Remuneration and Assessment Committee, and the Nomination Committee under our Board of Directors were all chaired by independent directors, who accounted for more than half of the members. Independent directors actively, effectively, objectively and independently satisfy their duties with the aid of their professional expertise at the general meeting of shareholders, and the meetings of the Board of Directors and specialised committees, in accordance with the laws and regulations and the Articles of Association of the Company to express their professional and impartial independent opinions. Given this, they can be accountable to all shareholders, and safeguard minority shareholders' legitimate rights and interests.



The establishment of independent directors by the Board of Directors

3

Proportion of the Board of Directors

1/3

Training of Directors, Supervisors and Senior Management

As part of our Board of Directors and Board of Supervisors' Continuing Professional Development (CPD) program, directors and supervisors of the Company receive trainings on ESG-related issues (including ESG risks and topics such as anti-corruption, environmental protection, and carbon reduction) on an irregular basis. In this way, our capability in ESG governance can be improved and the concepts of ESG can be integrated into the strategic planning and daily operations of us. During the reporting period, the directors and supervisors of the Company conducted 8 trainings, which obtained a 100% of coverage rate.



During the reporting period, the trainings conducted by directors and supervisors of Easpring

8

Percentage of coverage rate for the trainings

100%



Compliance Operation

Compliance management is essential to corporate risk management, Easpring has formed an explicit system for the management requirements of “regulatory compliance”, built a “three lines of defence” mechanism, and comprehensively applied the compliance assessment to the management of our headquarters and subordinate units. These actions helped consolidate the foundation of compliance operation and our risk barrier, thus continuously improving the corporate governance, enhancing the core competitiveness, and promoting sustainable development.

Compliance Management and Internal Control

Easpring has formulated the Compliance Management Measures, by establishing the business philosophy of “Compliance is everyone's responsibility”, the awareness of safety, quality, honesty and integrity of all its employees has strengthened. Also, through delivering the compliance-oriented culture to stakeholders, we has built a positive image concerning its compliance, and created a harmonious and healthy business environment. We has set up the Comprehensive Risk & Compliance Management Committee to coordinate compliance management, developed the Compliance Management Measures, identified key business areas, processes and personnel in this regard, which optimised the operation and safeguard mechanisms. During the reporting period, we publicised the compliance-related knowledge through various approaches, implemented on-boarding training on compliance for new employees, and organised the signing of the Compliance Commitment for all our employees, thus raising their compliance awareness.

In strict compliance with the Company Law of the People's Republic of China, the Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises, the Basic Standard for Enterprise Internal Control, and the Guidelines of Shenzhen Stock Exchange for the Internal Control of Listed Companies, we has developed the Administrative Measures on Internal Control and Management and the Administrative Measures on the Formulation and Management of Rules and Regulations to ensure that the formulation and management of our rules and regulations are scientific, compliant, and executable and to reinforce efficiency of the internal control and management. During the reporting period, we conducted an internal control assessment, with the units, businesses and events included in the assessment and high-risk areas covering the main aspects of Easpring's operations and management. There were no significant omissions. Based on the assertion of significant deficiencies in our internal control, we did not have significant deficiencies in its internal control in the financial and non-financial reporting by the date of the internal control assessment report.

Risk Management and the Rule of Law Construction

Easpring's steady development firmly relies on consolidating the rule of law construction and establishing an effective risk control system. Easpring conducts benchmarking optimisation, and formed a risk management system involving “the rule of law construction, compliance management, internal control construction, risk management and control, accountability for non-compliance, and audit supervision”. By implementing advanced risk management concepts and measures, we continues to strengthen its risk prevention, risk control during the event, post-audit and inspection throughout the whole process.

Risk management

In strict compliance with the Company Law of the People's Republic of China, the Audit Law of the People's Republic of China, the Basic Standard for Enterprise Internal Control, and other laws and regulations, Easpring has established an organisational leadership system, operation system, safeguard system and cultural system covering the Comprehensive Risk & Compliance Management Committee and the Chief Compliance Officer. In addition, management responsibilities have been clearly defined and the management team has also been built.

Basic Processes for Comprehensive Risk Management



The Rule of Law Construction

Governing enterprises in accordance with the law is the prudent choice in this era for all enterprises, and it is also a vital guarantee for modern enterprises to enter the market. Through legal research and other related activities, Easpring systematically identifies the existing shortcomings and promotes the improvement of work. Meanwhile, Easpring continues to create a good legal working environment, and has formed a regular and diversified internal system for legal education. We conducted a series of special courses for the promotion of laws, such as “International Contract Law Seminar” and “European Investment Risk Seminar”. Easpring effectively enhances the legal and risk awareness of managers, personnel in critical risk positions and new employees. During the reporting period, we conducted more than 30 sessions concerning legal education, with a 100% of employee training coverage rate.



During the reporting period, Easpring conducted sessions concerning legal education times more than

30

Employee training coverage rate

100%

Protection of Investors' Rights and Interests

Protection of the investors' legitimate rights and interests is the intrinsic requirement for the sound operation of the capital market, and it is also an important guarantee for safeguarding the practical economic interests of the people and promoting regulatory transformation. Easpring attaches great importance to the investor relationship management. Through various channels such as Easpring's official website, new media platforms, telephone, fax, email and investor education bases, and utilising network infrastructure platforms such as Shenzhen Stock Exchange and Securities Registration and Clearing Institutions, Easpring actively communicates with investors through various means such as the general meeting of shareholders, investor briefings, roadshows, analyst conferences, receptions and discussions. During the reporting period, we responded to a total of 200 questions from investors through the "Easy IR" platform of Shenzhen Stock Exchange and briefings on performance, and it also answered more than 1,000 phone calls from investors. In addition, we actively organised investors' on-site research on its factories to foster the discovery and recognition of investors' values towards Easpring around the globe.

Easpring is committed to implementing the requirements of the regulators to protect investors and safeguarding the legitimate rights and interests of all investors, especially for the minority shareholders. We have formulated the Investor Relationship Management System, in which it incorporates our ESG information, the ways, approaches and procedures for shareholders to exercise their rights, the information on the handling of investors' claims, and the risks and challenges actually or potentially faced by Easpring in the investor relationship work. During the reporting period, Easpring held the 2022 online briefings on performance and the 2023 semi-annual report & investor conference, engaging in sufficient communications with investors with all investors' questions fully answered.



Responded to questions from investors through the "Easy IR" platform of Shenzhen Stock Exchange and briefings on performance

200

Answered phone calls from investors more than

1,000

Response towards investors' problems

100%



Business Ethics

Integrity system management

Adhering to business ethics and market rules, and the principles of being honest and trustworthy, negotiation on the basis of equality and seeking mutual benefits, Easpring promotes "sunshine transactions" and is committed to maintaining fair and equitable business competition. Easpring strictly abides by the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Supervision Law of the People's Republic of China and OECD Guidelines on the Corporate Governance of State-owned Enterprises. Adhering to a professional, honest and upright attitude, Easpring guides its employees to establish values of honesty and integrity, and conducts various businesses in accordance with the requirements of applicable laws and regulations and the highest standards of business ethics.

Easpring has now developed several management systems, including the Anti-Fraud and Complaint Reporting Management System and the Anti-corruption and Anti-bribery System, and has disclosed the relevant requirements for the anti-fraud and complaint reporting mechanism and the protection of whistle-blowers in the "Integrity Easpring" column of Easpring's Wechat official account. Easpring's all employees (including part-time employees) of the headquarters and its subsidiaries (branches) at all levels, and all domestic and foreign customers, suppliers, service providers, contractors and other partners in business cooperation with Easpring are required to follow the designated policies and standards. With a continuous improvement of the mechanism for implementing the responsibilities of pursuing honest commercial practice, integrity system construction, and anti-corruption, Easpring clearly defines the main responsibilities of management and other relevant department leaders, refines the supervisory responsibilities, and strengthens the publicity, implementation, training, and supervision of integrity practices. The business ethics audits of the operating business were conducted in accordance with Easpring's ethical standard.

Warnings and Education of Integrity

Easpring creates and implements an integrity culture system through internal websites, internal publications, and the WeChat Official Account "Integrity Easpring" and other publicity channels, fostering a culture of pursuing honest commercial practices. During the reporting period, the internal integrity management of Easpring was strengthened through talks of daily integrity, the publicity and implementation of integrity education, and the signing of the Integrity Commitment and the Ten Prohibitions in the Honest Commercial Practice for all employees.

Ten Prohibitions in the Honest Commercial Practice

- Do not conduct covert deals, collude on base prices, disclose trade secrets of Easpring, or seek personal benefits;
- Do not engage in activities that seek personal benefits by taking advantage of the convenience of one's own work or our resources
- Do not sign false contracts, conceal, transfer or hold back customer returns and supplier payments
- Do not misrepresent or misappropriate business funds
- Do not seek improper benefits from business units by exploiting the power on hand
- Do not privately accept any money or items from business units (including cash, electronic red envelopes, gift cards, securities, other types of payment vouchers and gifts). The received gifts must be handed over to our General Manager Office
- Do not engage in any private transactions or borrowing of property with business units
- Do not accept any form of banquet invitation from suppliers
- Do not attend non-work related meetings with suppliers
- Do not organise or participate in any unhealthy entertainment

A variety of educational resources have been applied to the enterprise culture publicity and implementation in various forms and integrity education and trainings, which is conducive to build a consensus among the team members and foster a culture of integrity. Easpring conducted trainings for warning and educating the impacts of integrity practices with a coverage of 100%, effectively enhancing the integrity awareness and standards of all our employees. During the reporting period, there were no incidents of corruption involving violations of business ethics.



Trainings for warning and educating the impacts of integrity practices with a coverage of

100%



Supply chain integrity management

Integrity in business operations and compliance with laws and regulations are important in guaranteeing Easpring to establish stable, long-term relationships with business partners. In this case, Easpring has formulated the Code of Conduct for Suppliers, and suppliers are required to adopt a zero-tolerance policy for violations of business ethics and to sign the Acknowledgment of Commitment. That means any forms of bribery, corruption, extortion and embezzlement should be prohibited and suppliers should implement supervision and reinforcement procedures to ensure compliance with the requirements of anti-corruption laws. During the reporting period, Easpring signed the Sunshine Cooperation Agreement with all suppliers, achieving a 100% signing rate. In addition, we provided various forms of publicity and training on anti-corruption policies for all suppliers, with a coverage rate of 100%.

A Letter to Partners was issued to all our partners, requiring them to work together to establish a cooperative relationship in which they exercise strict self-discipline and engage in honest commercial practice. The relevant reporting channels such as the reporting telephone and email were also disclosed, which conveyed the transparent and honest image of Easpring to the suppliers.



Signed the Sunshine Cooperation Agreement with all suppliers, achieving signing rate of

100%

Provided various forms of publicity and training on anti-corruption policies for all suppliers, with a coverage rate of

100%

Complaints and reporting

Easpring has formulated the Anti-Fraud and Complaint Reporting Management System, and the Anti-Corruption and Anti-bribery System. We set up comprehensive internal and external channels for complaint and reporting, including on-site complaint and reporting, complaint and reporting email, hotline and mailbox. Moreover, our employees can also report complaints, communicate and give feedback directly through WeCom. Specific email address and telephone numbers for complaints and reportings were disclosed on the Easpring's official website and its WeChat official account. All parties in society can complain and report any violations of professional ethics and corruption, bribery and fraud through the following channels. Easpring regularly evaluates and checks the effectiveness of these channels to ensure that each complaint is responded to in a timely manner.

Easpring has regulated the whistle-blower protection system in accordance with the Anti-Fraud and Complaint Reporting Management System to implement the protection of whistle-blowers, and safeguarded the legitimate rights and interests of them. Moreover, Easpring offers rewards to whistle-blowers based on the recovery of losses in relation to the reported incidents.

Easpring encourages and advocates real-name complaints and reporting, while accepting anonymous complaints. Also, it attaches great importance to the confidentiality of real-name reporting, requiring the complaint handling personnel to keep confidential all aspects of reporting, acceptance and investigation. The disclosure of the individual privacy information of whistle-blowers is strictly prohibited. In the event of retaliation against whistle-blowers due to information disclosure, Easpring will cope with the case accordingly with reference to the seriousness of the situation.

Complaints and reporting channels are as follow:



On site



Telephone: 010-52269709



E-mail: shenji@easpring.com



Address for mailing complaints and reporting: Easpring Audit Department, Building 21, Area 18, Headquarters Base No. 188, South 4th Ring Road West, Fengtai District, Beijing, China, 100160

Information Security Management

Easpring always implements our information security requirements to the highest standards and abides by the Network Security Law of the People's Republic of China, the Regulations of the People's Republic of China on the Security Protection of Computer Information Systems and other relevant laws and regulations. Easpring has formulated the Network Security Management System, the Computer Use Management System and other management systems, established the security management process and operating procedures, and arranged special personnel to take charge of network security management. Strive to create a safe, reliable and stable operating environment for Easpring's business, network and system. During the reporting period, Easpring has completed the network reinforcement of the data center based on the three-level information security protection standard, and deployed core business systems such as ERP, MES and OA as required.

Easpring has formulated the "Information System Emergency Response Plan" to establish and improve the prediction and early warning mechanism and formulate the corresponding emergency response plan for possible information emergencies such as network attacks, information destruction, server failures. During the reporting period, Easpring successfully completed the offensive and defensive drill of the 2023 network protection action, effectively ensuring the normal operation of the it's network and system.

Easpring has formulated the "Measures for the Protection and Management of Trade Secrets", requiring all employees to comply with the requirements of the national confidentiality system and norms, and comply with the bottom line of "bearing in mind the confidentiality responsibility and observing the confidentiality code of conduct" when using the computer network to handle classified information, so as to ensure that every link of the processing of classified information is in a safe and confidential protection environment at any time and under any circumstances.

Easpring attaches great importance to the privacy rights and interests of all stakeholders, and strictly follows the relevant laws and regulations of the countries and regions where we operates, such as the Personal Information Protection Law of the People's Republic of China and the Data Security Law of the People's Republic of China, to protect the personal information security of employees, visitors and partners. When collecting and storing private information, Easpring shall follow the principle of minimization of collection to reduce the possibility of privacy disclosure caused by excessive collection of personal information, and shall clarify the personal information protection obligations of both parties when transferring data to third parties. During the reporting period, Easpring did not violate or disclose the privacy information of customers.



The Cybersecurity Publicity Month campaign themed by 'Enhancing Cybersecurity Awareness and Building a Strong Line of Cybersecurity Defense' was launched in November 2023. The campaign focused on cybersecurity protection, customer privacy protection, data compliance and data security, and aims to enhance the employees' understanding and awareness of customer privacy protection and data compliance.





04 Product Innovation

Easpring continues to give full play to its technological advantages in the global LIB cathode materials industry by promoting its development strategy of "R&D and investment of lithium battery materials, new energy materials and new materials". Additionally, Easpring uses efficient operation management system, advanced intelligent manufacturing process to improve the level of product quality control and continue to create value for customers.

Innovation-driven Development

Quality Management



Innovation-driven Development

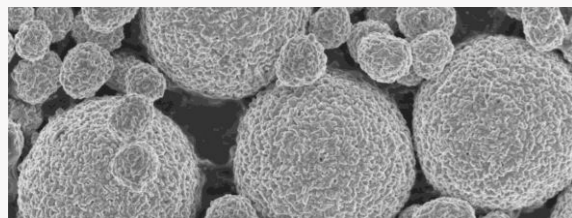
We have been pursuing innovation-driven development, and technology-led development to meet the latest market demands. Through diving deep in technology development trends and actively tapping into the fields of new energy and materials, technical planning and layout for new products can be strategically strengthened.

Product Technical Advantage

As a leading enterprise in the global LIB cathode materials industry, Easpring adheres to the product development strategy of “production in this generation, develop for next generation, reserve for future generation”. We have formed the product layout of “lithium battery materials, system and corporate path”, and developed six product series of Lithium nickel cobalt manganese (aluminum) oxide, Lithium Iron Phosphate, Lithium manganese iron phosphate, Key materials for solid-state lithium-ion battery, Lithium cobalt oxide and cathode materials for sodium-ion battery. We become a technical benchmark in the global cathode materials industry, with our outstanding technical advantages, deeply bounding to China, Japan, South Korea, Europe, the United States and other countries and regions of lithium battery giants and EV enterprises. Our overseas high-end power battery materials market share continues to maintain the advanced level.

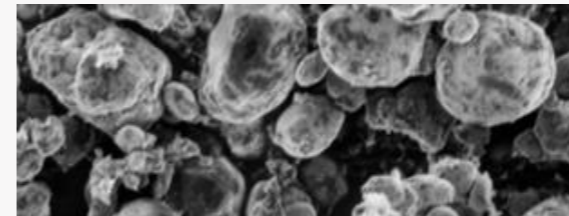
Easpring formulated multi-dimensional advanced layout of forward-looking products, concentrated high-quality resources to accelerate the development of the next generation of battery materials. Our ultra-high nickel NCM / NCA, NCMA and other multiple materials pioneered the sponge-like structure, homogeneous phase precursor with special microstructure, multi-level collaborative modification and other advanced design concepts, to achieve the overall improvement of endurance, safety, life, efficiency and low temperature performance. The dual-phase NCM for solid state lithium battery cathode materials and solid electrolyte products developed by Easpring has solved the interface problem between positive electrode and electrolyte solid, and the technical indicators are in the leading level in the industry. At the same time, we actively layout new products of sodium electricity industry, adopts homogeneous phase precursor with special microstructure and integrated solid state crystallization for optimization to solve the key technical bottleneck of sodium electric cathode materials, break through the sodium electric cathode material technology of layered oxide system, and promote the development of sodium electric cathode materials of polyanionic system. In addition, we come through high strength tunnel-structured precursor with preferred active lattice plane design, combined with bulk-boundary-surface 3D modification, surface interface collaborative modification process and uniform lithium sintering process. The development of new type Li-Mn-rich material products capacity, circulation and other comprehensive performance is excellent, we continue to perform in the global lithium battery cathode materials industry technology leading advantage, promote our lithium electricity cathode material products and technology upgrading, for the society to provide more safe, more efficient, more green energy use solutions.

Product family of six main materials



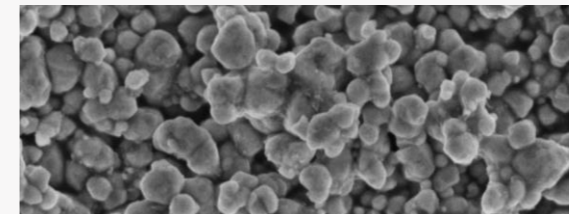
Lithium nickel cobalt manganese (aluminum) oxide

It is used in EV, ESS, laptops, power tools, etc., with advantages including high capacity, long service life, high safety, and high rate.



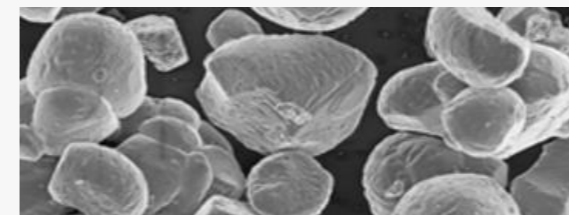
Lithium Iron Phosphate

It is used in EV, ESS, etc., with advantages including high safety, low cost, and long service life.



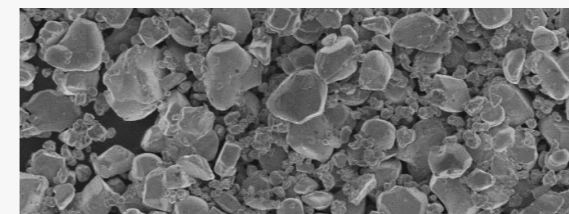
Lithium manganese iron phosphate

It is used in EV, ESS, etc., with advantages including high voltage, low cost, long service life and low drop in voltage.



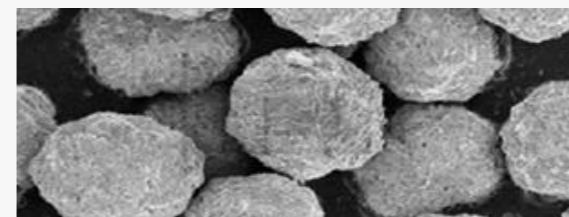
Key materials for solid-state lithium-ion battery

It is used in EV etc., with advantages including high safety, high capacity and high rate.



Lithium cobalt oxide

It is used in smart phones, tablet computer, laptops, drones, etc., with advantages including high voltage, high energy density, and high rate.



Cathode materials for sodium-ion battery

It is used in EV, ESS, electric bikes, etc., with features such as low cost, high capacity, high rate, and long cycling life.

Technological Innovation Platform

Easpring integrated the R&D resources to create a cluster-based R&D innovation platform that enables technology research, product development, engineering design, test evaluation and technical service of lithium-ion battery materials, which is designed to accelerate the efficient transformation and application of our scientific and technological achievements. To approach these achievements, we have established the Institute of New Energy Materials, Institute of Advanced LIB Materials, and Engineering Institute of Lithium-ion Battery Materials.



Institute of New Energy Materials

Institute of New Energy Materials is responsible for basic theoretical research on new energy materials, and the forward-looking research on strategic new materials in line with the world's leading science and technology trends;



Institute of Advanced LIB Materials

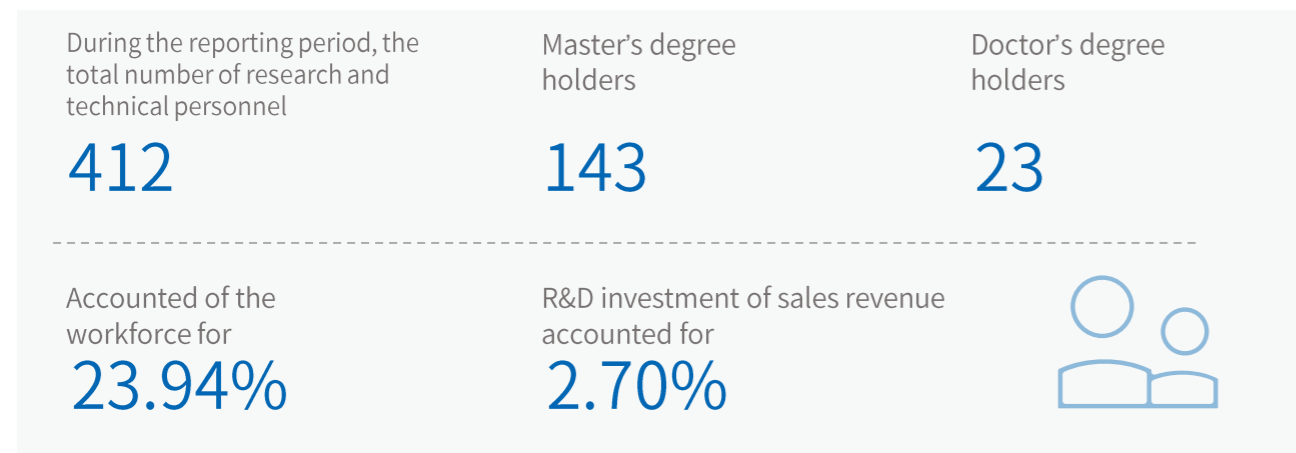
Institute of Advanced LIB Materials is responsible for product development, application research, and organisation and implementation of scientific and technological transformation;



Engineering Institute of Lithium-ion Battery Materials

Engineering Institute of Lithium-ion Battery Materials is responsible for research on lithium-ion battery material production process, equipment technology development, carbon peak and carbon neutrality management, and intelligent manufacturing development.

Easpring has built a well-educated and highly qualified technology team with strong innovation ability, rich engineering experience, sharp business acumen, and good communication skills. In this case, the team incorporates talents from the talents programs such as Millions of Talents Program, Outstanding Contribution to the National Middle-aged and Young Experts, State Council Government Special Allowance Experts, Capital Science and Technology Leading Talents, Beijing Nova Program of Science and Technology and Beijing Specific Project to Foster Elitist. As of the end of the reporting period, the total number of research and technical personnel is 412, in which there are 143 master's degree holders and 23 doctor's degree holders. Thus, this was accounted for 23.94% of the workforce, and the R&D investment accounted for 2.70% of sales revenue.



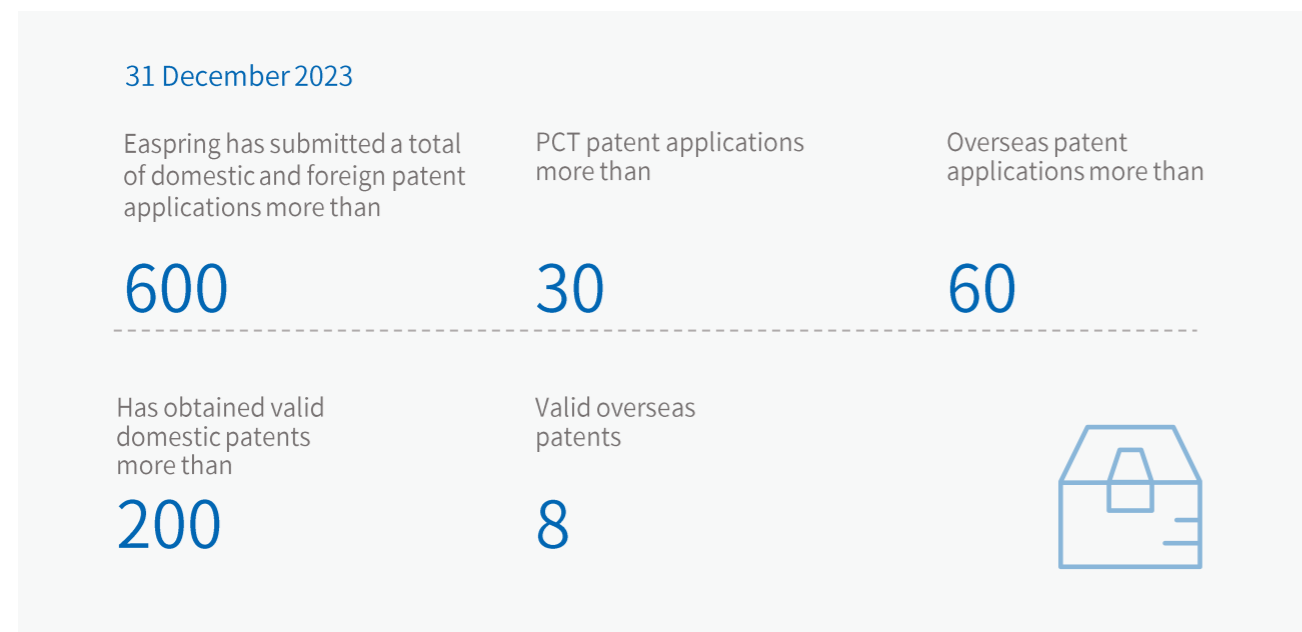
Easpring also focuses on developing the skills of the R&D staff, thereby the 'Training Plan for Scientific Research Personnel' (Training Plan) is fully implemented. Based on the 721 Principles of Talent Training Model, the 'Training Plan' builds an integrated talent training platform with the goal of improving the capability of scientific research talents, the means of hierarchical and classified training, and the internal team of lecturers. Easpring strengthens the cultivation of strategic thinking and systematic thinking of R&D personnel, and continuously fosters the improvement of their scientific research ability and innovation ability. Moreover, Easpring takes multiple measures to promote talent trainings, optimize the environment in their growth and progress, stimulate the competitiveness of employees and foster the development of the enterprise through the mode of "Expert Lectures + Learning from the past experiences + Co-creation of Workshop". Given this, Easpring continues to improve the entire training system of scientific and technological talents, creating a good talent ecosystem, and striving to build up the strategic talent force for the Group.

Besides, we also actively establish the 'Production-Learning-Research' cooperation with prestigious universities and research institutes at home and abroad to further enhance the capability in scientific and technological innovation. We have conducted scientific and technological researches, project applications and other cooperations with Peking University, Tsinghua University, Fudan University, Chinese Academy of Sciences, Beijing Institute of Technology, University of Science and Technology Beijing, Nanjing University of Aeronautics and Astronautics, University of Limpopo, etc. We have participated in the establishment of China Automotive Power Battery Innovation Alliance, Beijing Material Genetic Engineering Innovation Alliance, Future Electrochemical Energy Storage System Integration Technology Innovation Center, Fudan University-Easpring high-energy Lithium Materials Joint Laboratory and other innovation platforms.

Management of Intellectual Property Rights (IPR)

Intellectual property rights (IPR) are the valuable assets of Easpring. We have established a sound IPR management system, and implemented the analysis on patent risk and plans for applications throughout the project cycle. This management system aims at enhancing the employees' awareness of IPR and their ability to apply them, thereby promoting Easpring's innovation and development. To standardize the management of IPR and encourage employees' enthusiasm in making inventions and innovations, Easpring has formulated management systems such as the Intellectual Property Rights Management Measures, the Measures on Hierarchical Management of Intellectual Property Rights, the Measures for the Administration of Intellectual Property Rights Awards, and the Management Measures on the Selection of Patent Stars to strengthen IPR protection. During the reporting period, Easpring was successfully selected into the list of National Intellectual Property Model Enterprises, which fully demonstrated our outstanding capabilities in IPR creation, application, management and protection.

Easpring has strengthened the entire patent management process. Before a research project is approved, the Intellectual Property Rights Department assists the R&D Department in the preparation for product-related patents. Patent engineers and inventors make joint efforts to work out patent technology solutions. Then, based on the materiality of these solutions, the patent engineers select certain patents for Patent Cooperation Treaty (PCT) application and overseas patent layout, and take into account the overseas review process to promote the layout and authorization of overseas patents. Since 2022, Easpring's patent applications and authorized patents have increased significantly. As of 31 December 2023, Easpring has submitted a total of more than 600 domestic and foreign patent applications, including more than 30 PCT applications and more than 60 overseas patent applications, and has obtained more than 200 valid domestic patents and 8 valid overseas patents.



Easpring obtained a US Patent named US1183772B2 – “A cathode material for lithium-ion batteries”. The high-nickel multicomponent cathode material is aggregated by primary particles scattered in particle radial direction. The primary particles distributed in particle radial direction account for above 60%, and they have a specific aspect ratio. The cathode material has a high particle strength, and the lithium-ion battery containing it has high capacity. The patent enables us to secure effective IPR protection in the field of the agglomeration-type multicomponent cathode material technology with targeted distribution of primary particles. It facilitates the promotion of related products in overseas markets.



To enhance employees' awareness of IPRs, Easpring provides regular IPR trainings for all employees. The training contents include the legal policies of intellectual property protection, the application and practice of patent R&D, etc.. After the trainings, Easpring also evaluates the training results. In addition, Easpring regularly carries out intellectual property confidentiality management training for all employees and pays more attention to the management of technical secrets while encouraging everyone to apply for patents. Easpring also conducts preliminary screening of technical secret leakage in the stage of patent mining and its application and conducts secondary review in the process of reviewing the schemes to ensure that the technical confidentiality work is conducted meticulously.

Easpring focuses on protecting its own IPRs by continuously strengthening IPR early warning and risk management, conducting patent freedom to operate (FTO) analysis and identifying patent risks and forming FTO reports, clarifies the legal status of patents in the places of sale and export, and puts forward corresponding patent licensing and purchase suggestions to avoid infringing others' patents. Meanwhile, Easpring actively protects its legal interests in IPR. In response to the IPR litigation with UMICORE NV/SA, Easpring obtained a favorable verdict of the civil lawsuit, relying on our strong technical strength and established independent IPR system. At the same time, two patents claimed by UMICORE NV/SA were successfully invalidated.



Industry Development Outcomes

With technological innovation as our core driving force, we have contributed our expertise and concentrated our efforts to promote the orderly development of the battery industry. Besides, we actively participate in academic forums to share our research results and application progress to contribute to the high-quality development of the battery industry. In recent years, we have taken the lead in crafting and participated in the formulation of 53 national or industrial standards such as the “GB/T 20252-2014 Lithium Cobalt Oxide”, “GB/T 37202-2018 Lithium Nickel Cobalt Manganese Oxide”, “YS/T 1027-2015 Lithium iron phosphate” and “YS/T 1030-2017 Lithium-riched Manganese Cathode Material”. During the reporting period, Easpring had taken the lead in drafting the 6 industry standards for lithium battery materials, among which there were 2 of them were awarded the “Excellence Award for Technical Standards” by National Nonferrous Metals Standardization Technical Committee.

List of standards

Leading in drafting the national standard GB/T43092-2023 - “Electrochemical performance test of lithium ion battery cathode materials - test method for high temperature performance”



We won the “Second Prize of Excellence Award for Technical Standards” by National Nonferrous Metals Standardisation Technical Committee



Participated in drafting the national standard GB/T43091-2023 - “Test method for compressive strength of powder”



We won the “Second Prize of Excellence Award for Technical Standards” by National Nonferrous Metals Standardisation Technical Committee



List of standards

Participated in drafting the national standard GB/T 23365-2023 - “Electrochemical performance test of lithium cobalt oxide—Test method for the initial discharge specific capacity and the initial efficiency”



Leading in drafting the industry standard YS/T 1614-2023 - “Doped and coated lithium nickel cobalt manganese oxide” ;



Participated in drafting the national standard YS/T 1125-2023 - “Lithium nickel cobalt aluminum oxide”



Participated in drafting the national standard YS/T 1615-2023 - “Electrochemical performance test of lithium nickel cobalt manganese oxide- direct current internal resistance test method”

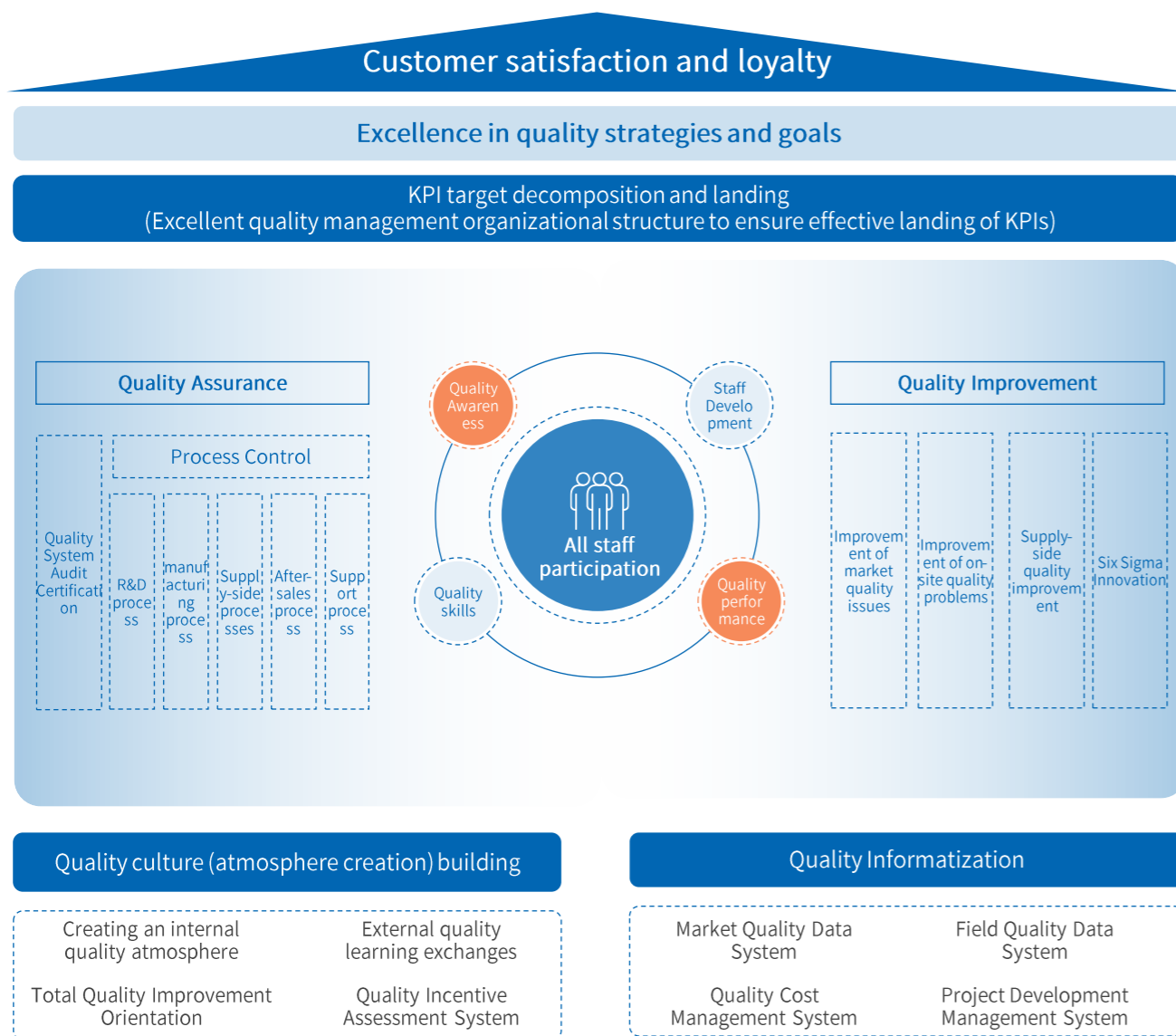


After years of continuous and intensive R&D investments and technology accumulation, Easpring has been awarded 35 national and provincial honours, including “National Recognised Enterprise Technology Centre”, “National Technology Innovation Demonstration Enterprise” and “National Intellectual Property Demonstration Enterprise”. Easpring has also received 33 awards including the China Patent Excellence Award, Beijing Invention Patent Award, Beijing Science and Technology Award, China Non-ferrous Metals Industry Science and Technology Award. In addition, our products have been awarded Beijing Science and Technology Progress Award for 5 consecutive years.



Quality Management

Easpring adheres to the management policy of “Create green materials with science and technology; Realize customer value with quality; Ensure secure development with responsibility”. With proactive creation of value for our customers through providing them with safe, reliable and high-quality products and services, we become the most trusted partner of our customers. We also insist on our objectives of “regarding customer satisfaction as the ultimate target, considering quality culture construction as the cornerstone of management, using the construction of quality system as a management tool and information technology as a support for management”. With these targets, the quality of Easpring’s physical materials and the quality management level can both be enhanced.



Quality Management System

To effectively implement the overall quality assurance of Easpring and comprehensively improve the quality management of products and services, Easpring has continuously improved the quality management system. Easpring combines the standard requirement of ISO 9001 and IATF16949 to construct an all-life cycle cluster-based quality management system covering product development, production, delivery and after-sale service. To reach the consistent improvement and improve customer satisfaction, Easpring untangles and analyzes its business process by combining the standards of quality system and integrating quality management into each section of our operation.

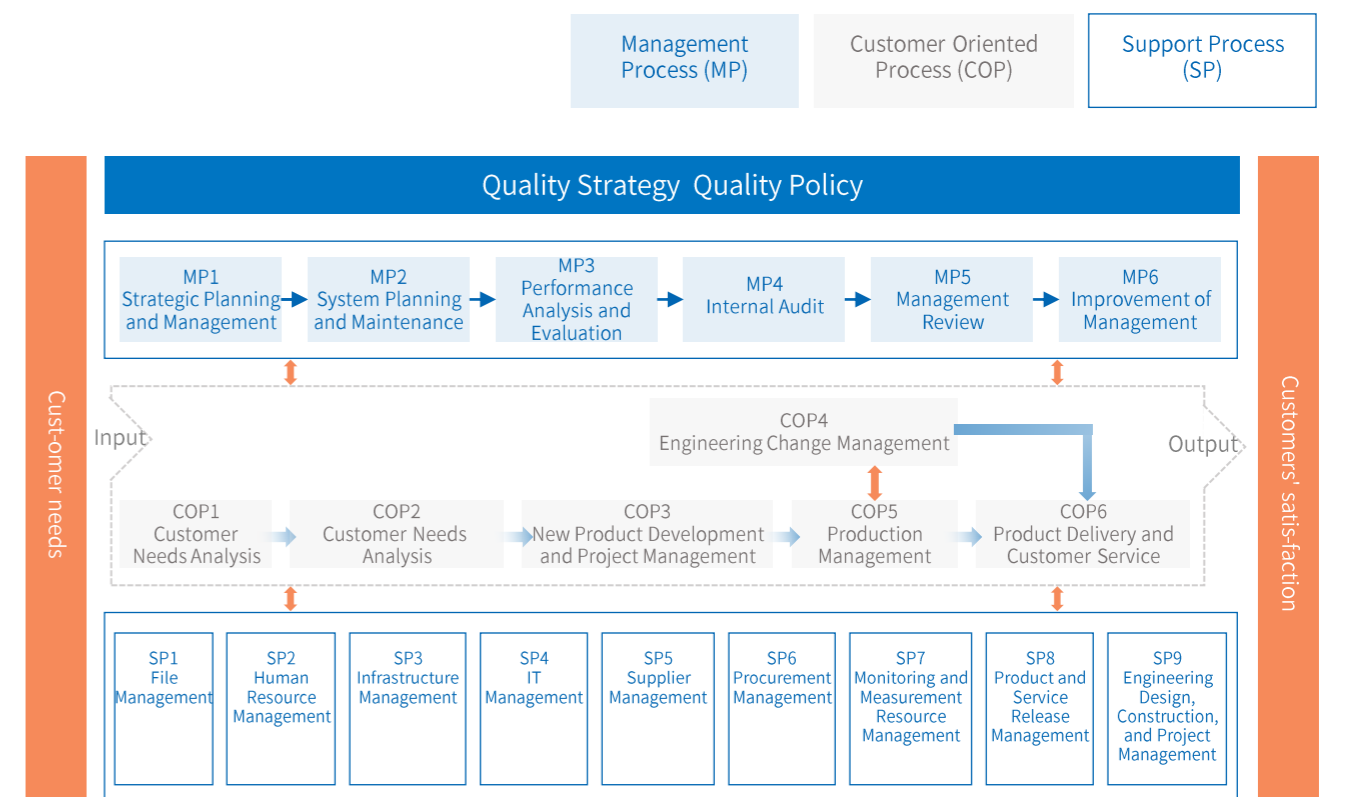


Diagram of Processes and Relationships of Quality Management System

To effectively promote the quality management system, Easpring clearly specifies the responsibilities and authority of the general manager, management representatives, quality representatives and customer representatives, making corresponding commitments in quality management:

- By providing high quality products and services, continually meet customer requirements and expectations and help customers realise value
- Quality and integrity are regarded as important factors for the survival, competition and development of the enterprise and the important criteria for assessing performance.
- Relying on standard management, lean operation, scientific research and development, and precision manufacturing, guarantee the quality consistency of our end products.
- Enhance the quality awareness and capability of all its employees through continuous training and system improvement.

Easpring conducts internal audits for the quality management system, processes and products in various forms, and continues to promote the conformance and effectiveness. During the reporting period, Easpring passed the IATF16949 system certification with a 100% of passing rate of client audit.



Easpring passed the IATF16949 system certification with a passing rate of client audit. **100%**



Easpring has integrated the PDCA (Plan, Do, Check and Act) cycle into the quality management system. It identifies the three processes of customer orientation, support and management using the process approach, and effectively carries out full-process control of customer orientation, including identification of customer demand, product development and design, supplier development, product production and delivery, and customer service. During the reporting period, Easpring has prepared and issued a series of procedural documents such as the Quality Management Manual, Quality Objectives 2023 and APQP Control Procedure. Meanwhile, Easpring has actively applied the five core IATF tools, providing strong technical support for quality control throughout the product life cycle.

Easpring has established the Internal Audit Control Procedures, the Product Review Management Regulations and the Process Audit Management Regulations and has conducted internal audit procedures for quality control to ensure continuous improvement and perfection of the quality management system. Easpring has set up the Quality Control Engineer Platform (QCE) and In Put Process Quality Control positions (IPQC), which are responsible for daily production inspection, including the inspection of standardized operating procedures, process conditions, process hygiene, equipment parameter standards, and equipment spot check, and urges all departments to resolve problems after they are identified.

Relying on the System Applications and Products (SAP), Manufacturing Execution System (MES) and the Laboratory Information Management System (LIMS), Easpring has achieved effective control of quality testing, product quality management, and abnormality handling management. In addition, we have the information capability of product quality traceability management covering the entire process from incoming materials to delivery. This helps to improve production capacity and yield, reduce production costs, improve equipment stability, and ensure efficient and orderly operation of production lines. In the future, Easpring will continue to introduce quality management systems such as the supplier quality management system and customer quality management system based on the Client Relationship Management system (CRM) and the Supplier Relationship Management system (SRM).

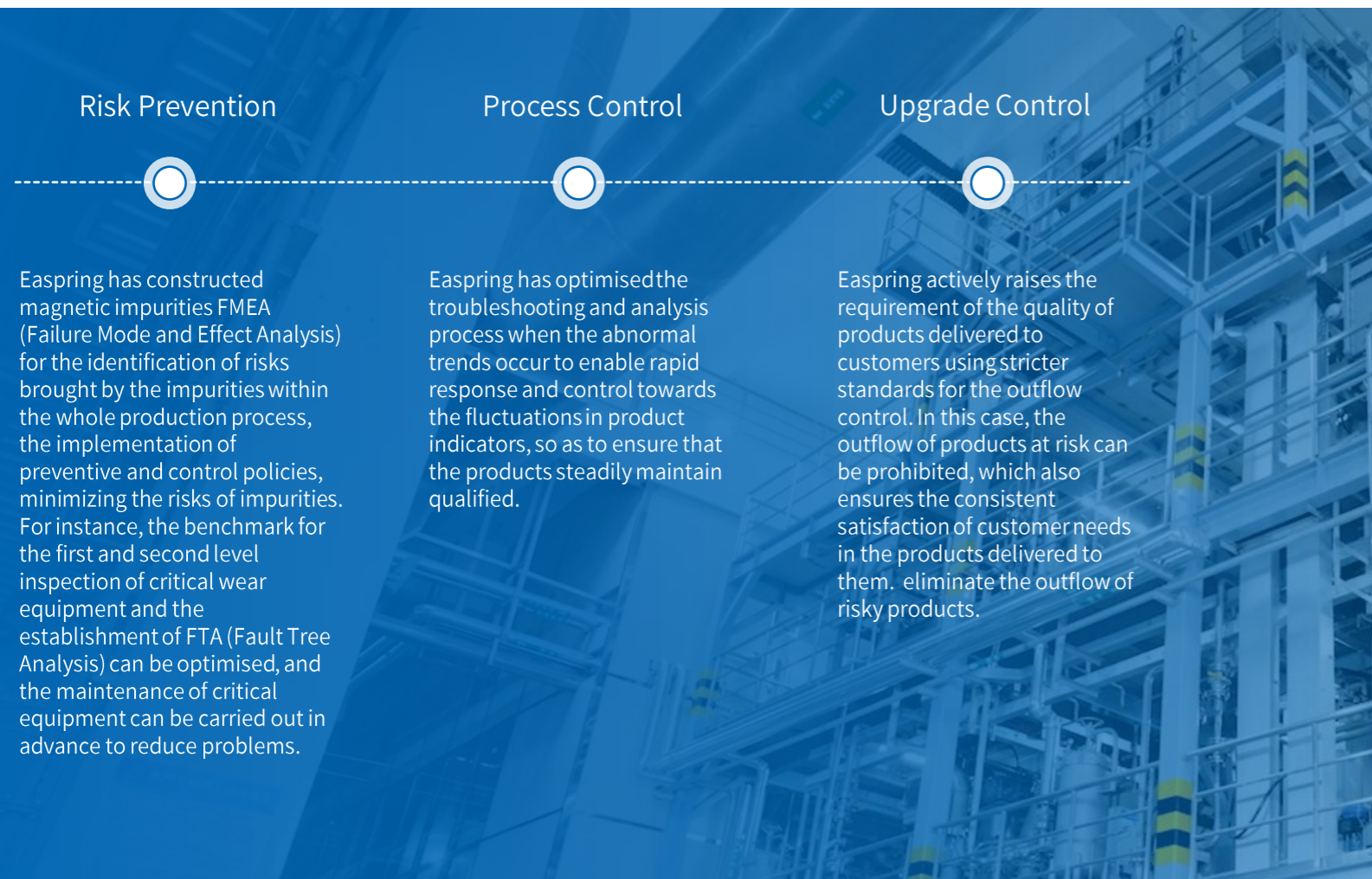
Easpring established the Corrective and Preventive Control Procedures to identify, analyze and improve the nonconforming information feedback, confirmation of information, analysis of root cause, development implementation of corrective action, verification of measures and standardization. Meanwhile, to better deal with the quality issues of suppliers, Easpring also establishes the Non-conforming product Control Procedure to clarify the relevant treatment and control procedures for non-conforming products from the incoming materials, semi-finished goods, end products, and products after delivery. We set a series of quality objectives, such as the designated qualified rate of product inspection, trial products, raw material delivery, and the passing rate of customer audit every year, and we conduct regular assessment according to the Performance Analysis and Evaluation Control Procedure. During the reporting period, we has not been recalled for product quality problems.



Product Quality and Safety Management

The quality of products closely relates to the corporate lifeblood, directly influencing customer satisfaction and Easpring's competitiveness in the market. Through the implementation of the Excellent Quality Plan, Easpring improves the control of the quality of physical materials, quality management and quality consistency. In addition, we foster the improvement of magnetic impurities, the CPK (Process Capability Index) of key customer products, screen manufacturing and replacement management, additives, and consistently boosting the quality of the Easpring's products.

The content of magnetic impurities has become an important criterion to measure the quality of cathode materials for lithium-ion batteries, and the control of magnetic impurities in cathode materials is one of the keys to addressing the safety issues of lithium batteries. Easpring actively conducts the control of metal impurities, identifies the main reasons for high magnetic impurities from the perspective of raw and auxiliary materials, equipment and work process, and conducts improvement actions from aspects of risk prevention, support control and internal control standards.



Quality-oriented Product Culture

Easpring values the construction of quality-oriented product culture and persists the 'First, Second, Third Strategies' in quality management via specific actions. In this way, people can deeply resonate with the "customer-oriented" business philosophy.





05 Environmental Protection

As a leader in the industry of China LIB cathode, Easpring devotes itself to the fostering of all humankind to a greener, cleaner and healthier world where the path of sustainable development with 'green development, energy conservation and emission reduction, recycling' can be explored. In this way, green, low-carbon and high-quality development mode can be merged into the R&D, production, application and recycling in each section. In addition, the green and low-carbon development concept can be realized, and a sustainable future can be attained by striving to maximize the external impacts of production and operation.

Environmental Management

Clean Production



Environmental Management

Adhering to sustainable development, Easpring aims to become an innovative enterprise with the goal of “technological, green, zero-carbon and intelligent” on the global stage, in which the concepts of green development can be attached throughout processes in daily production and operation, ranging from the customer needs identification, products design, process plan design, mass production conversion, production and delivery of products and the waste disposal. In this case, holistic consideration on the impacts of the life cycle of products towards environment is needed. Meanwhile, from the aspects of design concepts to material selection, Easpring conducts research consistently on the source governance approach of the “pollution and carbon reduction”, accelerates the enhancement of the waste recycling system and resource utilization efficiency. Within the reporting period, on the basis of Easpring’s commitment to environmental compliance and strict environmental control throughout the entire process, low-carbon life is empowered with design and the attentiveness of environmental protection is enlightened with creativity. Meanwhile, we also put efforts from multiple dimensions where we continuously improve our capability on environment management and reduce environmental footprint.

Environmental Management System

Easpring takes environmental protection as one of the basic guidelines and strictly abides by national and local laws, regulations and other provisions related to environmental protection. Easpring has developed a range of environmental protection systems and documents including the Regulations on the Management for Environmental Protection, Procedures of Environmental Factors Identification, Evaluation and Control, Ten Strict Regulations for Environmental Protection, Regulations for Management of Routine Safety and Environmental Protection Actions, Technical Solutions of EHS Upgrading and Renovation Project, Environmental Protection Emergency Plan and Award and Punishment of Safety and Environmental Protection Behaviours. By controlling the product design, the use of raw materials and production processes, Easpring can ensure that the products are in compliance with relevant laws and environmental-related material standards required by customers. Easpring also regulates its environmental protection behaviours during the operation, promote clean production and protect the ecological environment everyone lives in.

Following the management systems of environmental targets, Easpring includes the environmental targets and indicators into the annual target system referring to the principle of “the person in charge takes the responsibility”. In this way, Easpring clearly defines persons in charge of decision making, production, operation and service. The Safety and Environmental Protection Department is responsible for tracking the environmental management updates of all departments, monitoring the performance of their environmental targets and regularly assessing their results. During the reporting period, there were no environmental protection accidents and environmental penalties.

Besides, Easpring improves and upgrades the environmental protection equipment, environmental monitoring and compliant disposal of hazardous wastes by continuously inputting special fund to environmental protection. During the reporting period, we input RMB 7 million in total for Easpring’s environmental governance and the capital investment in environmental protection, and paid RMB470,500 in environmental protection tax.



Millions of Easpring input in total for environmental governance and the capital investment in environmental protection

7

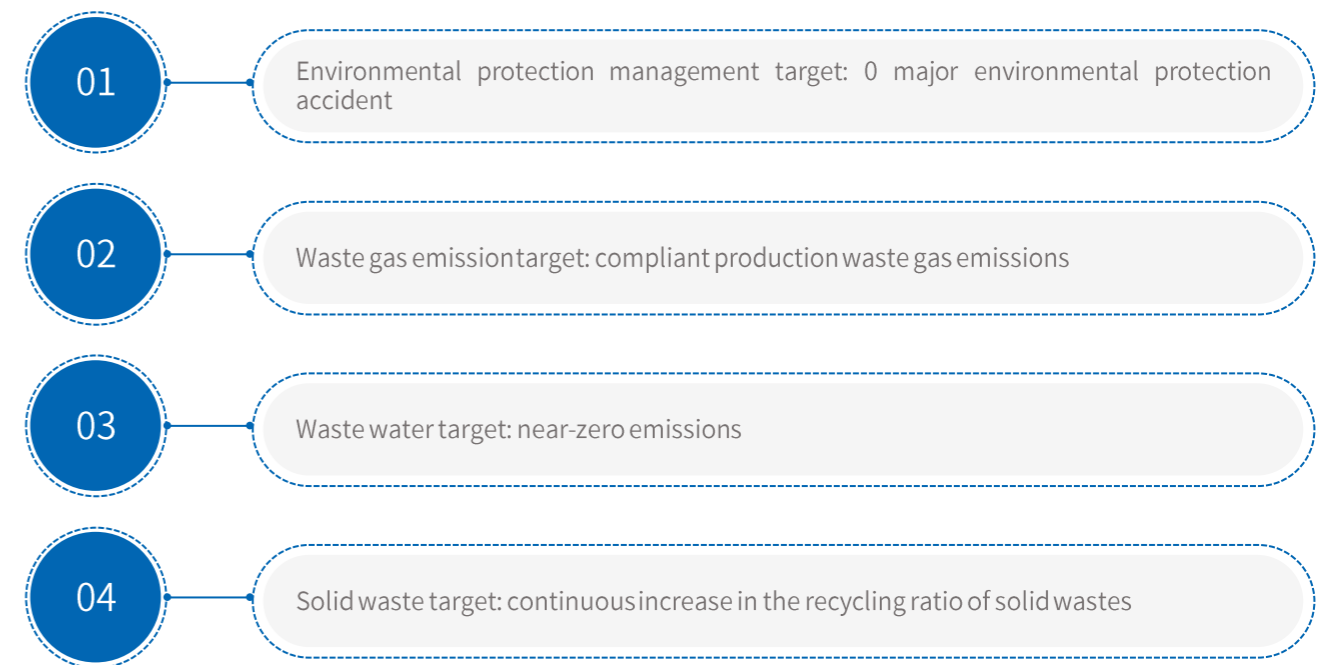
Millions of Easpring paid in environmental protection tax

0.4705



● ISO 14001 Environmental Management System Certification

Based on a sound environmental management system and structure, Easpring Changzhou and Easpring Jiangsu have obtained several environmental certifications. In 2023, both Easpring Changzhou and Easpring Jiangsu obtained ISO 14001 Environmental Management System Certification and “Provincial Green Development Leading Enterprise” Certification, in which the factory in Changzhou obtained the Provincial “Green Factory” Certification.



All employees work together to improve their environmental protection performance and reduce their impact on the environment. Meanwhile, Easpring takes initiative to enhance the practical environmental protection ability and green production awareness of employees and contractors, and it also builds and cultivates talents for environmental management. During the reporting period, 1,100 participants were involved in environmental protection training and emergency drills.

Easpring regularly carries out environmental audit with a coverage of all operating locations. The Audit Department and Safety and Environmental Protection Department audit relevant environmental certifications each year according to system certification requirements and the annual audit plan. During the reporting period, Easpring audited the Environmental Management System and Occupational Health and Safety Management Systems (EMS & OHS) and issued the annual internal audit report of the safety and environmental protection system. In the future, Easpring will carry out environmental audit by covering 100% of factories.



During the reporting period, the number of participants were involved in environmental protection training and emergency drills

1,100

In the future, Easpring will carry out environmental audit of factories by covering

100%

Management of Three Wastes

Waste gas management

By strictly implementing laws and regulations including the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Emission Standards for Odor Pollutants, Emission Standards of Pollutants of the Inorganic Chemical Industry, and Integrated Emission Standards for Air Pollutants in Jiangsu Province, Easpring works to control the emission of key production waste gas such as particulate matter and ammonia. Based on the compliant disposal of all types of production waste gas, Easpring set and realised our quantitative production waste gas emission targets in 2023 as follows.

Categories of waste gas	Production waste gas emission targets in 2023	Achievement
Ammonia gas	Annual emission not exceeding 1.45 tons	Achieved
Particulate matter	Annual emission not exceeding 7.42 tons	Achieved

Easpring generates production, laboratory and domestic waste gas. All these kinds of gas have clear sources and is classified into different categories, and thus Easpring can take scientific and reasonable approaches to treat them.

- The source, categories and treatments for production waste gas are stated as follows:**
 - Dust (including nickel, cobalt, manganese and their compounds and particulate matter) is treated by filter cartridges and sintered plate dust collectors. Dust collected (dust collecting material) is reused in production first and then discharged in a compliant manner;
 - Ammonia is recycled through condensation, which achieve the cleanliness of production.
- The source, categories and control approaches for laboratory waste gas are stated as follows:**
 - Particulate matter from laboratories is collected and treated by the comprehensive waste gas treatment, and then discharged in a compliant manner;
 - Acid mist, nitrogen oxide, ammonia and volatile organic compounds (VOCs) are treated by acid-base neutralizing tower in the fuming cupboard and then discharged in a compliant manner.
- The source, categories and treatment approaches for domestic waste gas are stated as follows:**
 - Lampblack generated from canteens is treated by fume purifiers in canteens and then discharged in a compliant manner.

Easpring regularly engages a third-party professional agency to detect waste gas on a monthly, quarterly and annual basis. Treated waste gas has a qualified concentration according to limits stated in regulations such as Ambient Air Quality Standards, Technical Guidelines for Environmental Impact Assessment- Atmospheric Environment and Manual of Atmospheric Environmental Standards.



● Ammonia distillation tower of a factory

Wastewater treatment

Easpring regards wastewater treatment as one of the most critical issues in the construction of production facilities at its operational sites, and it pays full attention to it throughout the operation. By strictly abiding by the laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, Easpring has formulated the Environmental Protection Management Regulations. An Automatic Monitoring and Basic Database System is utilised to conduct real-time on-line monitoring of information such as pollutant emissions, thereby achieving timely prediction and early warning of the total amount and concentration of wastewater emission. Besides, Easpring follows the principles of 'separate sewer systems for segregating clean water, rainwater and wastewater'. In other words, it recycles and treats production wastewater, domestic wastewater and rainwater separately, achieving "near-zero emissions" of production wastewater. During the reporting period, Easpring achieved 100% coverage for on-line water pollution monitoring and 100% compliance with emission standards.



Production Wastewater

Easpring continues to optimise the treatment process of production wastewater. We also work to realise "near-zero emissions" target of production wastewater and put compliant emission and monitoring of production wastewater into practice.



Domestic Wastewater

Domestic wastewater mainly comes from offices and accommodation of employees. It is treated by grease traps and septic tanks and enters the municipal rainwater pipe network, and then is discharged after being treated by the local sewage treatment plant and reaching the Class IA standard of the Integrated Wastewater Discharge Standard.



Rainwater diversion

Easpring's factory follows the rain and sewage diversion system, that is, production wastewater, domestic wastewater and rainwater are discharged into respective separate drainage pipe network. In this way, Easpring can effectively reduce the stress of the urban water treatment system.

Solid waste treatment

Easpring treats solid waste in strict compliance with laws and regulations such as Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste, Standards for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill, Standards for Pollution Control on Hazardous Waste Storage. Easpring also fosters the reduction and circulating utilization and recycling of solid waste. In addition, Easpring has formulated the Provisions on the Management of Solid Waste Reduction and Recycling to effectively reduce and reuse all kinds of solid waste and reduce the negative impacts of hazardous waste on the surroundings and people.

Solid waste generated by Easpring is divided into the hazardous solid waste (mainly includes waste oil, waste oil tank, waste package containing nickel and waste filter cartridge) and the general industrial solid waste (mainly includes general packaging materials and domestic waste). We collect, store and dispose both the hazardous solid waste and general industrial solid waste by categories. A special storage room is set for hazardous solid waste, and the floor of the room is designed to be leakage-proof and marked with noticeable signs. Also, we engage a qualified third party to regularly remove such waste and keeps the relevant bills for transferring hazardous solid waste. As for the general industrial solid waste, a general warehouse is also set for the treatment or utilization of it conducted by the downstream suppliers.

Easpring strongly advocates and comprehensively uses solid waste. It reuses solid waste containing metallic compounds and reusable materials in production, replace solid waste and production materials with new ones or for selling them, so as to effectively increase the reduction, circulating and recycling ratios of solid waste.

Management of Water Resources

Water resources as the foundational and strategic type of resources, possess major significance to the sustainable development of society. In respond to the national call for building water-saving enterprises, Easpring takes various measures to save production water and tap water consumption ranging from conducting daily operation and maintenance to promoting special water-saving projects for equipment.

- The leakage issues of equipment are discovered by inspection during daily maintenance, and corrective measures are taken based on concrete issues to alleviate leakage in a timely manner.
- The forcefully drained circulating water and initial rainwater are reused in production after the hardness removal through chemical reaction, coagulating sedimentation, filtering and reverse osmosis systems.
- To optimise and improve the projects of reducing the production water consumption, Easpring recycles steam condensate and condensed water from the vaporizer of the oxygen station, and through using filter unit in the circulating tower.
- In addition, Easpring has laid permeable bricks on the floor. The outdoor permeable floor in the factory accounts for more than 30% of the total outdoor area, so it can effectively improve the floor water permeability and rainwater storage rate.

Renovation for reusing wastewater from precursors

We have reused over 90% of washing water and saved water used for production lines with “microfiltration + ultrafiltration” process in the renovation project for reusing wastewater from precursors. In recent 2 years, we have reduced the discharged sewerage by about 91,100 tons and saved sewage charge and water rate by RMB 1.13 million and RMB 0.27 million, respectively.



Recovery of steam condensate

A great amount of condensate comes from steam heat exchange and can be recovered to a cold water tank through recovery lines. The condensate stored in the tank can be recovered through pumps and pipes and then sent to the circulating tower and steam desuperheater for reuse, thereby effectively reducing the water consumption in the tower.



Recovery of condensate from the vaporizer of the oxygen station

The condensate from the vaporizer has a conductivity lower than 30uS/cm, temperature lower than 15°C and PH equal to or lower than 8. It is separately collected in a water tank and sent to the circulating tower through pumps and pipes to save the pure water consumption in the tower.



Filter unit in the circulating tower

The filter unit is set in the circulating tower to filter suspended solids including algae in the circulating water. In this way, the circulating water quality can be improved to reduce water change frequency and discharged sewage.



Clean Production

Realizing cleaner production is our response to climate change and practice of sustainable development. With energy efficiency as the core and intelligent manufacturing as the foundation, Easpring is actively applying the concept of clean production by considering the three elements of clean technology, recycling and energy management in every session of production and operation. Besides, we continue to strengthen energy demand management. In doing so, we clarify the roles and responsibilities of relevant departments on energy management, coordinate production and energy consumption planning, and strictly control the unplanned energy use to effectively prevent energy waste.

Clean Technology

Easpring continues to increase our investment in R&D of clean technology by taking intelligent manufacturing as a leverage to improve production efficiency and tapping our potential in applying clean technology. Meanwhile, by focusing on larger recycling of key raw materials, we continue to improve their recycling rate, actively reduce the use of fossil energy, and expand the use of clean energy to facilitate our green and low-carbon transformation.

Easpring has built a MES-centered production management platform, which can manage whole process of raw material input, transportation, and production online. It can also comprehensively monitor key indicators of material input, energy use and equipment operation at different stages. Through efficient production scheduling and resource optimization, we have effectively reduced material and energy waste, and improved the operating efficiency of key equipment by 30%. Easpring introduces efficient sintering, low dew point air reuse and comprehensive utilization of wastewater with innovations in the field of LIB Cathode material, further reducing carbon emission on the value chain while improving the capacity of businesses.

Meanwhile, Easpring actively implements the electric energy replacement strategy and gradually reduces the scope and use of fossil energy. In terms the use of energy in production and life, Easpring achieves energy substitution mainly by upgrading the equipment. For example, the traditional fuel vehicles are gradually replaced with electric vehicles, gas stoves and pieces of electric equipment are eliminated and introduced respectively, which largely reduce the scope and proportion of fossil energy use within the factory areas. So far, we have completed the construction of 8.7MW distributed photovoltaic power generation facilities in Easpring Changzhou and Easpring Jiangsu, and generated electricity of 1.46 million kWh for internal consumption in 2023, steadily increasing the ratio of renewable energy in total electricity production. Easpring has built plants in areas rich in renewable energy resources such as Panzhuhua, Sichuan, to make full use of the abundant hydropower and solar energy resources in Panxi area and to effectively promote the transformation and upgrading to cleaner production.

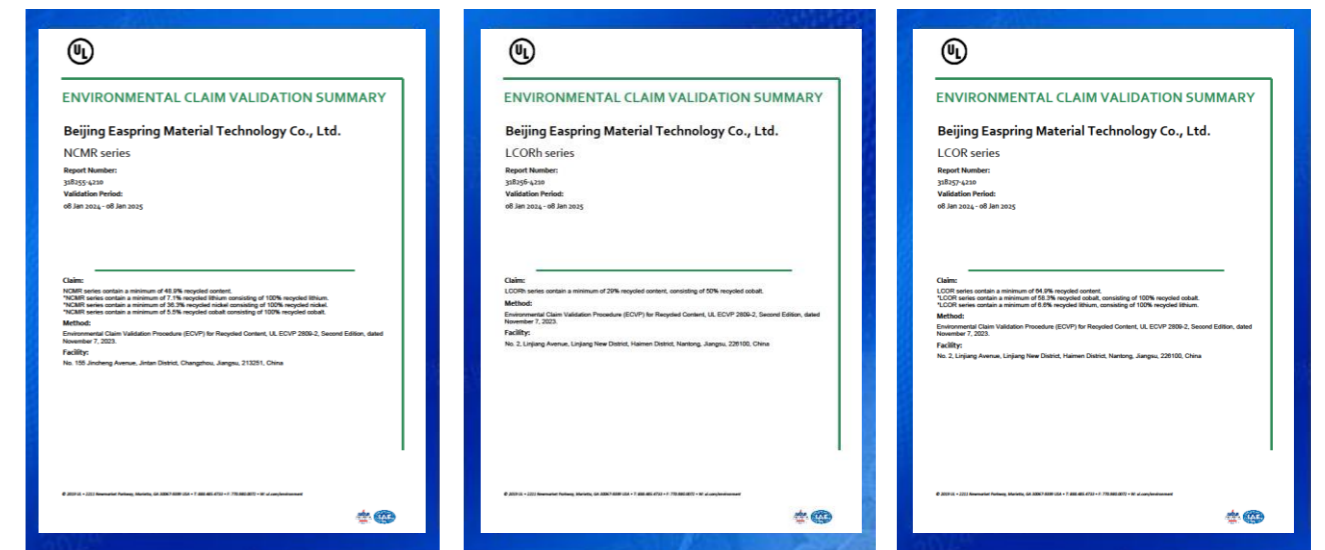


Resource Recycling

Easpring actively responds to European Union's new battery regulation and other regional policies and regulations. We are committed to promoting the recycling of key raw materials and energy, and making endeavor to construct a lithium-ion battery industry chain of “resource regeneration- precursor- cathode material” to meet the mandatory recycling in strategic collaboration with our suppliers such as Huayou Cobalt and GEM Co., Ltd.. In this case, Easpring is committed to fully realizing the goal of recycling and the recycling of cobalt, nickel, lithium and other materials

Easpring keeps abreast with the development trends of green products by accurately identifying the direction of R&D of low-carbon technology, innovatively developing resource-saving and environmentally friendly green low-carbon products. We attach great importance to the recycling and reuse of ammonia, heavy metals, sodium sulphate and other substances in the production of precursors, in which the reusing rate of ammonia reaches over 95% and the recycling of heavy metals reaches 100% by using microfilters. Through selling by-product sodium sulfate, carbon emissions caused by products of the same kind in the production market can be reduced. We attach great importance to the recycling of water resources via utilizing RO membrane concentration technology to treat production wastewater, in which the recycling rate of permeate water is over 85%. Through MVR, the remaining concentrated water is concentrated and crystallized to produce crystalline salt containing lithium, which can be used for recycling and reprocessing into lithium raw materials and can achieve near zero discharge of wastewater and the recycling and utilization of lithium raw materials.

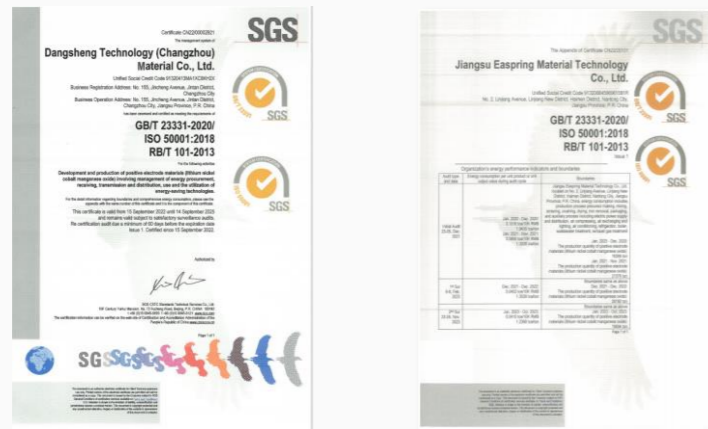
Meanwhile, Easpring has reached strategic cooperation with suppliers such as Huayou Cobalt and GEM Co., Ltd. to efficiently utilize the renewable materials in products through the innovation of technology and processes. In this way, we can emphasize the promotion of the recycling of key raw materials and continuously improving their recycling efficiency. During the reporting period, more than 10 different series of products, such as the multi-component materials and lithium cobalt oxides passed the review and verification of UL Solutions and obtained the UL2809 Recycled Material Content Certification.



● UL2809 Recycled Material Content Certification

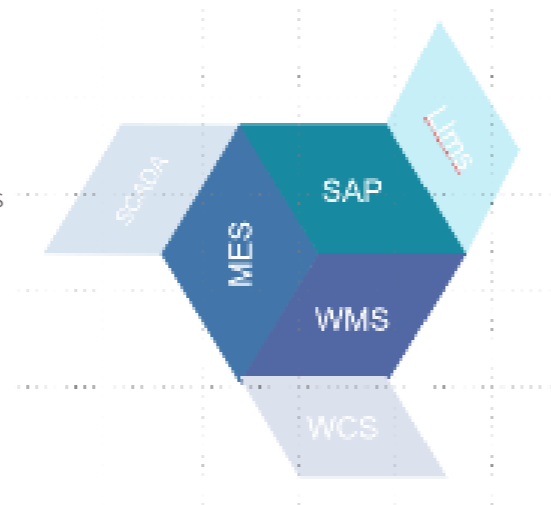
Energy Saving and Carbon Reduction

Easpring achieves operational carbon reduction and green development primarily through energy management. Easpring attaches great importance to the construction of the energy management system and has formulated comprehensive energy management systems such as the Energy Management Measures and Measures on the Energy Use, Identification, Evaluation and Control. Meanwhile, Easpring optimizes the construction of the digital energy management system, sets energy management targets, continuously carries out energy saving and emission reduction projects to promote the application of clean energy. During the reporting period, Easpring Jiangsu and Easpring Changzhou have passed the ISO 50001 energy management system certification.



● ISO 50001 Energy Management System Certification

Easpring promotes the construction of the energy management system on all fronts and has realized real-time energy interconnection at production sites backed by the central control and multiple control systems. We upgrade our energy metering hardware and realize interconnection among production systems such as MES, WMS and SAP, to monitor data on the energy and resource consumption (including electricity, natural gas, steam, water, compressed air and oxygen) at the production site in a real-time manner and conduct energy statistical analysis. Easpring also gradually optimizes energy consumption abnormality alarm and energy allocation control functions, providing data for refined energy control and statistical analysis of energy conservation at the plant.



To implement energy conservation and emission reduction in a targeted manner, Easpring has set appropriate energy targets for each plant, including comprehensive energy consumption, power consumption, and energy consumption for products, kilns and air compressors. Easpring also actively implements technological improvement projects for effective energy conservation in production, including but not limited to equipment upgrading, process optimization and energy cascade utilization.



By conducting technical transformation of air compressors, Easpring Changzhou achieved the linkage control of air mill and air compressor, significantly improved the loading speed of air compressors. This can help Easpring Changzhou to reduce about 2,956 tons of CO₂ emission reduction per year.



Motors of the original circulating pumps built in Phase I in Easpring Changzhou were transformed to be the permanent magnetic ones. After that, the energy efficiency was increased by 10% and about 62.65 tons of CO₂ emission reduction was achieved per year.

In terms of developing a green working environment, Easpring formulated policies such as the Office Building Management Regulations to create clean, comfortable, low-carbon and environmentally friendly working environment. Within the reporting period, Easpring's headquarters office achieves the annual target of reducing water and electricity costs by 3% year-on-year via the implementation of the green office action plan.





06 Win-win Cooperation

Easpring is committed to building a sustainable future with our upstream and downstream partners. It aims at creating greater values for our customers and the market via green and strategic collaboration, responsible supply chain management and high-quality customer service as well as continuously practicing the concept of responsible marketing.

Industry Cooperation
Responsible Supply Chain
Customer Services



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS

Industry Cooperation

To promote the joint development of the industry and enhance the business value of the upstream and downstream industries, Easpring is committed to achieving win-win cooperation by building a strategic collaboration with business partners, creating a green procurement model, adopting a low-carbon procurement network, and deepening the industry exchange continuously.

Strategic Collaboration

Easpring actively engages in strategic cooperation with suppliers to better guarantee raw materials for stable production. In the current stage, Easpring co-constructs upstream resources with important metal suppliers in the industry. The access to resources required for production including nickel, cobalt, manganese and lithium is mainly realized by signing strategic procurement agreements, joint venture with suppliers or investing in the upstream supply chain. In doing so, Easpring can ensure a stable supply of raw materials and keep the long-term cost advantage.

Green Procurement

Easpring focuses on building a green and sustainable supply chain that centered on producing green products and is characterized by recycling and low-carbon practices, openness and transparency, as well as mutual benefits. Meanwhile, Easpring establishes its green supplier evaluation system and continue to improve green procurement standards to incorporate key indicators of carbon management such as total carbon emissions and carbon footprint intensity into the supplier evaluation system.

To reduce the carbon footprint of its products, the procurement and transportation costs and shorten delivery time, Easpring purchases materials with recycled content, such as cartons, some precursor pallets and other low-carbon products. In addition, the ‘procurement in the neighborhood’ strategy is prioritised for the auxiliary production materials required by the factory (such as liquid oxygen used for auxiliary materials in the workshop, special gases for testing chambers, and low-value consumables).

Easpring actively responds to the co-creation initiative of green supply chain, continuously promotes communication and collaboration with the upstream and downstream partners in terms of the carbon management and improves the openness and transparency of its carbon emission data. By taking measures such as collecting the carbon data from the main raw material suppliers and building green procurement standards, Easpring can keep abreast of the carbon emissions status of upstream suppliers and work together with them to create a green, sustainable supply chain.

Deepening of Industry Exchanges

Easpring actively collaborates with business partners from the upstream and downstream of the value chain to promote the prosperity and development of the industry jointly through technical exchanges, industry conferences and deepening business cooperation. Meanwhile, Easpring attaches importance to regular communication and related training activities with suppliers and partners. Easpring established an in-depth cooperation and development relationship with leading global companies and carried out in-depth technical exchange activities. Technicians and R&D personnel conduct technical exchanges, site visits and other activities with suppliers on a monthly basis.

Easpring also actively participates in exhibitions related to the LIB industry such as China International Battery Fair (CIBF), The Seventh International Forum on Cathode & Anode Materials for Advanced Batteries and the First Independent Sodium Battery Technology and Market Development Forum, 2023 Annual Conference of China Automotive Power Battery Industry Innovation Alliance, 2023 World Power Battery Conference, etc., to extensively communicate and cooperate with industry peers, experts and scholars, potential customers and to showcase its updated lithium battery products and technological achievements. Also, Easpring shares its insights on the development trends in the industry and market prospect and at the same time, Easpring obtains in-depth understanding of industry needs and market dynamics by absorbing opinions and advice from different parties. The belows are the exhibitions Easpring participated, including:

In the meantime, Easpring also plays important roles in the following industry associations to contribute its wisdom and commitment.

- Rotating President, Cobalt Branch of China Nonferrous Metals Industry Association
- Executive Director of China Industrial Association of Power Sources
- Vice Chairman of Power Battery Application Branch of China Industrial Association of Power Sources
- Expert of Technical Expert Committee of Beijing Power Battery Innovation Centre



Responsible Supply Chain

In order to better complete supplier management, we has formulated a series of systems, including Supplier Management Control Procedures, Supplier Selection Management Regulations, Supplier Audit Management Regulations and Supplier Evaluation Management Regulations, to clarify the whole process management requirements of suppliers from the aspects of supplier classification, development, access, evaluation and elimination. Easpring has also standardized the ESG code of conduct for suppliers, regularly conducted supplier ESG audits, and established a sound responsible mineral management system, strictly implemented the mineral supply chain due diligence work and disclosed the annual supply chain due diligence report on the official website.

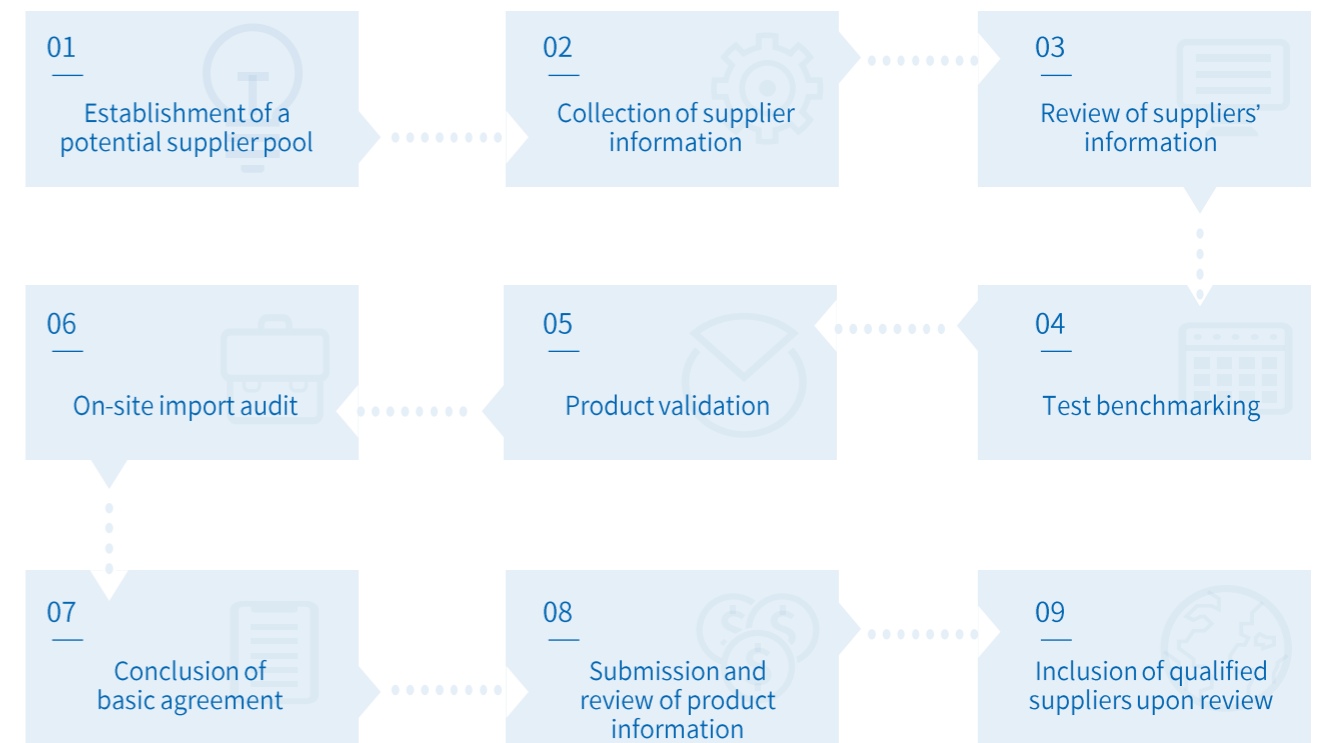
Supplier Development and Access

Suppliers as the indispensable partners for Easpring, the stability and quality of their supplies directly influence Easpring's production and the quality of products. Considering this, we formulated documents such as the Procedures for the Management and Control of Suppliers, which standardizes the management ranges from the suppliers' development, imports, changes to their performances. Through consistent and effective communications with suppliers, the "win-win" concept of cooperation between suppliers and Easpring can be emphasized and the requirements of Easpring's quality management can be conveyed. Additionally, Easpring conducts activities for enhancing its capacity in quality management with suppliers when necessary, in order to strengthen our partnership with them and improve the quality of products.

Firstly in the stage of identifying the potential suppliers, Easpring would conduct the initial selection and evaluation of suppliers to ensure that they are capable in the production and quality assurance as required. Meanwhile, Easpring would also maintain sufficient communication with the suppliers to clarify the requirements and standards of quality as well as their clear comprehension in meeting Easpring's requirements of quality.

Secondly at the stage of suppliers' development and import, Easpring would fully delve into the development and evaluation of raw materials. In this case, Easpring can further conduct more in-depth assessment and audits to ensure the suppliers' capability in quality management and production, as well as the quality and stability of their products, including the audits of quality management system and the assessment of production capacity.

Supplier Development Access Process



Supplier Assessment and Elimination

Easpring consolidates the performance management for our suppliers by indicating their achievements and inadequacies. In doing so, Easpring has formulated policies such as the Provisions on the Management of Supplier Audit and Provisions on the Management of Supplier Evaluation. To foster the improvement on the shortcomings of suppliers, Easpring also shares its philosophies and approaches of quality management with them, and collaboratively plans improvement schemes with them when necessary. Easpring participates in the process of suppliers' improvement by offering support to them, helping them build and better the quality management system and enhance their capacity of quality assurance and quality control. Also, Easpring establishes a rapid responsive mechanism. When the suppliers' quality is abnormal, Easpring analyses the causes of problems together with suppliers by formulating improvement measures and offering them supervision to improve.



During the reporting period, the completion rate of Easpring's annual supplier evaluation and supplier annual audit is

100%

Easpring conducts regular evaluations and audits of its suppliers, in which it systematically identifies suppliers' management and the risks of products through the audits of system, processes and products, etc., generating the list of suppliers that need to take rectifications. Easpring also urges the suppliers to conduct improvement measures, follow and ensure the rectification effects can consistently satisfy Easpring's requirements.

In the meantime, suppliers are also assessed and categorized under a grading system (From high to low, they can be categorized into four grades: A, B, C and D). Within this grading system, the management principles for suppliers from different grades and the elimination mechanism for suppliers who fail to meet the requirements are clearly defined. Moreover, Easpring also urges the suppliers to improve themselves in their own initiatives by reasonably imposing pressure to them. Alternatively, Easpring will eliminate suppliers who fail and have no intention to improve themselves so as to maintain an ideal quality of the suppliers we cooperate with. During the reporting period, the completion rate of Easpring's annual supplier evaluation and supplier annual audit is 100%.

Supplier ESG Management Requirements

Easpring always strives for high standards for its business and, in turn, expects the same commitment from the suppliers. By formulating the ESG Code of Conduct for suppliers and conducting supplier ESG audits, Easpring works with upstream partners to build a responsible supply chain and collectively contribute to the sustainable development of the industry.

Easpring also follows the Ten Principles of UN Global Compact (UNGC), the Convention on the Rights of the Child, the Minimum Age Convention, the International Labour Standards, the United Nations Convention against Corruption, and the International Labour Organization Safety and Health Implementation Guidelines. In this case, Easpring has formulated the Code of Conduct for Easpring Suppliers to clarify its expectations and requirements for suppliers in terms of labour and human rights, health and safety, environmental protection, ethics, and corporate governance. Meanwhile, Easpring also communicates with suppliers to have them fully understand its ESG Code of Conduct and to ensure that all parties can follow these codes during the cooperation and can collaboratively promote the sustainable development of the industry.

Supplier Code of Conduct on Labour and Human Rights

Suppliers shall prohibit the use of child labour and forced labour, oppose discrimination in recruitment or employment, guarantee reasonable working hours and wages, and ensure the freedom of association of employees.

Supplier Code of Conduct on Health and Safety

Suppliers shall ensure employees' occupational safety by implementing machine protection, improving emergency management, preventing work-related accidents and diseases, providing employees with hygienic living conditions and conducting health and safety related training.

Supplier Code of Conduct on Environmental Protection

Suppliers shall comply with environmental protection laws and regulations, prevent pollution of the environment and conserve resources, control pollution and emissions, and make every effort to reduce the negative impact of hazardous substances on the environment.

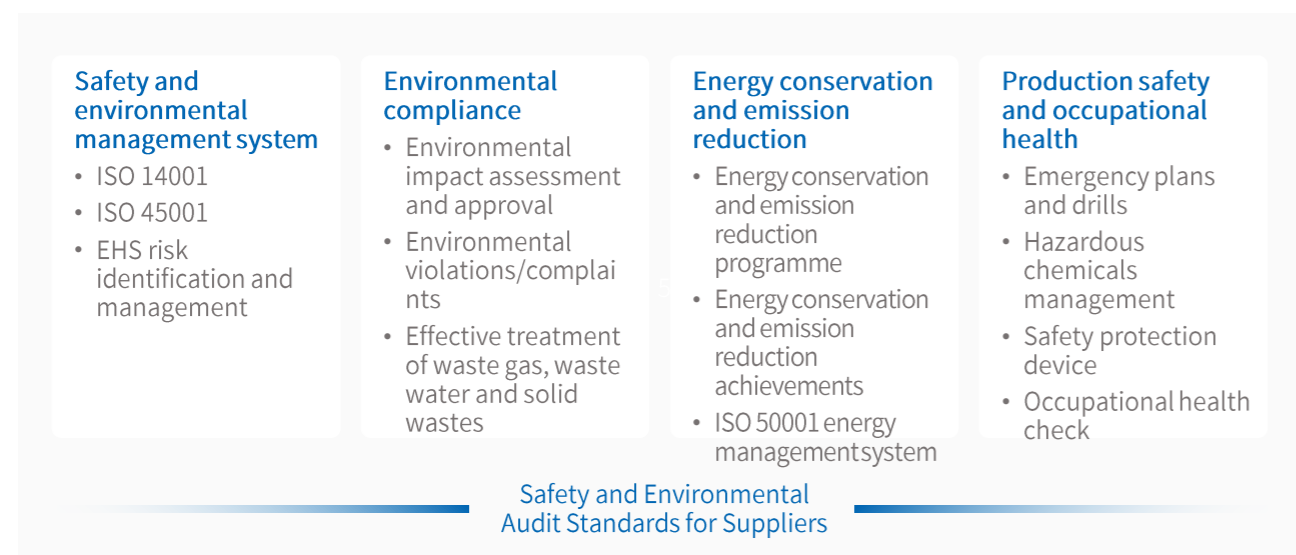
Supplier Code of Conduct on Ethics

Suppliers shall abide by business integrity, oppose unfair competition, establish open, effective channels for reporting, protect intellectual property rights, implement information disclosure policies, and actively participate in community activities.

Supplier Code of Conduct on Corporate Governance

Suppliers shall implement the responsibilities and obligations of ESG management, conduct ESG risk assessment and management, establish information communication procedures, and define the corrective actions and processes.

Easpring integrates ESG audits of suppliers into its overall audits of them. The annual on-site audits of raw material suppliers focus on social responsibility, safety and environmental protection. In these audits, by assessing suppliers' ESG management systems, compliance, and specific ESG management policies and measures, Easpring aims to gain a deeper understanding of suppliers' actual ESG performance and urge them to improve their ESG performance. During the reporting period, there were no material negative ESG incidents in our supply chain.



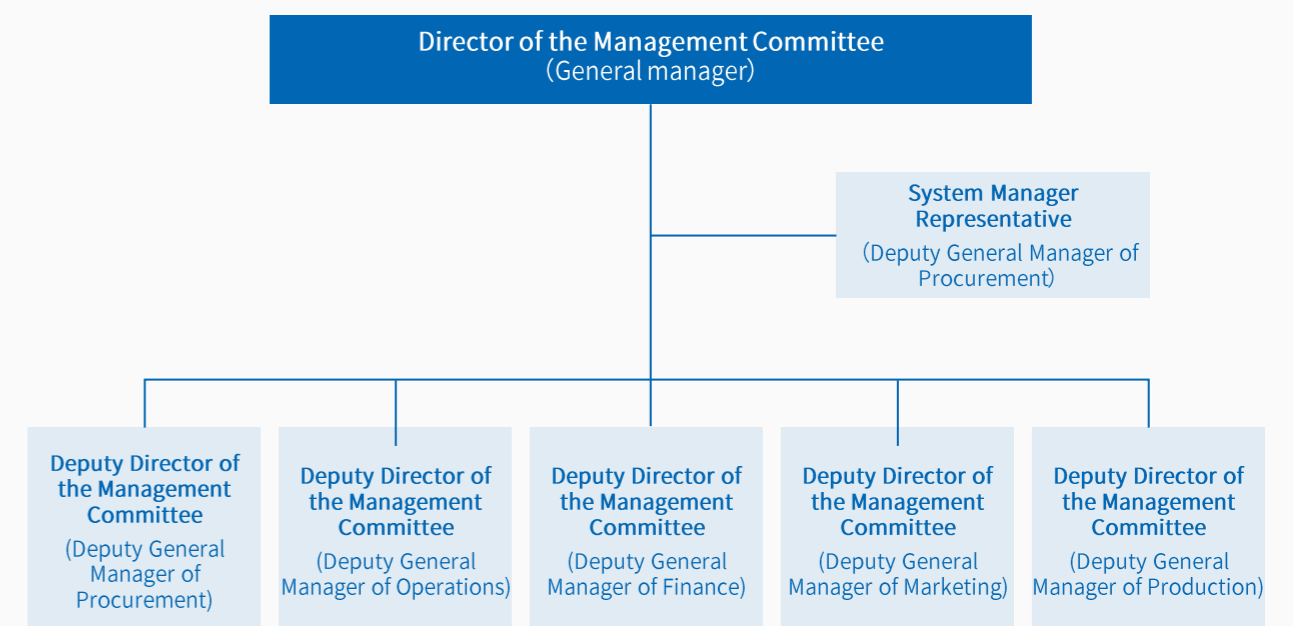
In the meantime, we highly value the training of suppliers in an attempt to construct closer partnerships with suppliers and to foster a comprehensive implementation and practice of ESG concepts in the business. During the reporting period, the Company conducted ESG Code of Conduct promotional meeting, which has accomplished 100% of coverage rate for the trainings for suppliers.

Responsible Mineral Supply Chain Management System

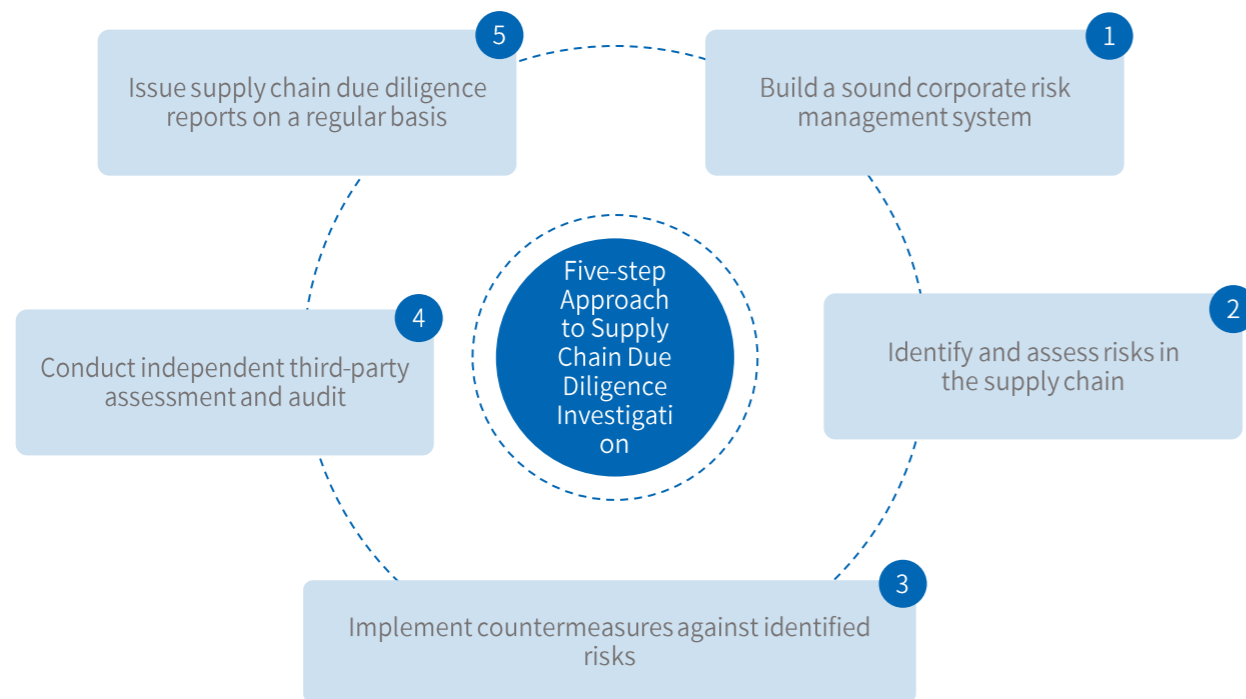
Nickel, cobalt, manganese and lithium are essential raw material elements for Easpring's current manufacturing products. Easpring has formulated a number of responsible mineral management systems, established a supply chain management committee, conducted responsible mineral investigation and issued relevant statements in compliance with regulations, and identified and prevented negative risks related to mining, trading, disposal and export of minerals in high-risk areas.

Based on relevant policies such as the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain issued by the China Chamber of Commerce of Metals, Mineral & Chemicals Importers & Exporters (CCCMC) and the 3rd Edition of the OECD Due Diligence Guidance for Responsible Mineral Supply Chains issued by the Organisation for Economic Co-operation and Development (OECD), in which Easpring has developed the internal policies such as Due Diligence Policy for Responsible Supply Chain and Supplier Standards for Responsible Sourcing. These policies apply to all suppliers, subcontractors and their upstream suppliers and it includes but not limited to metals such as lithium, nickel, cobalt and manganese. Meanwhile, Easpring also incorporates these requirements into the contracts and agreements with its suppliers.

Easpring has established the Supply Chain Management Committee and formulated the Management Measures of Supply Chain Management Committee to clarify the structure and responsibilities of the committee. The Supply Chain Management Committee conducts a management review at the beginning of each year to assess the responsible mineral supply chain due diligence management of the previous year. During the review, the committee examines the results of the previous year's supplier due diligence management system audits and evaluates the implementation and effectiveness of the improvement measures taken to address the customer audit matters. Corrective and preventive measures are also taken for existing or potential problems, and the implementation of these measures are tracked to ensure the appropriateness, adequacy and effectiveness of Easpring's due diligence management system. In addition, in accordance with the requirements of the annual training plan, Easpring provides trainings on supply chain due diligence management system for key personnel of all relevant departments every year.



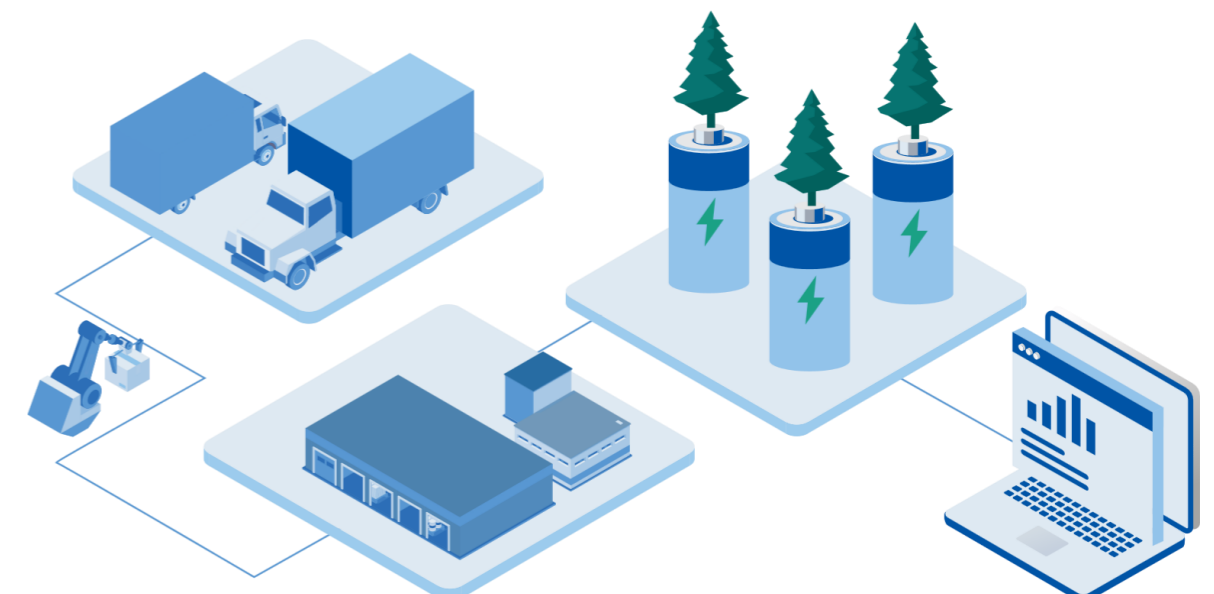
Also, Easpring has established a responsible supply chain appeal mechanism and formulated the Responsible Supply Chain Due Diligence Management Appeal Method to discover and deal with various risks and hidden dangers that may exist in the supply chain in a timely manner. After Easpring discloses the email address for appeals and receives the relevant appeal materials, the Supply Chain Management Committee will then initiate the investigation procedure based on the contents of the appeal, formulate and implement the solution and procedure jointly with the complainant and the object of the appeal. In this case, both parties can reach a consensus in the written form, and it is supervised and executed by the committee. Easpring has also carried out supply chain due diligence surveys on key raw material suppliers in accordance with the five-step method in the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals”, the internationally recognized authoritative standard in the field of mineral supply chain due diligence.



Easpring gathers information related to all suppliers by collecting supply chain maps and customer feedback, and evaluates conflict-affected and high-risk areas of mineral sources from three aspects, namely the armed conflict, human rights and governance conducted by government. Easpring also sorts out and summarises the risks identified in various ways, formulates a risk assessment report for each supplier, and communicates the corresponding risks to them to jointly establish practical improvement plan. It has also improved the chain of custody of raw material suppliers and established a transparent material traceability and control system to ensure the full-process traceability from raw material source to finished product delivery to customer via the full-process batch number management of raw material warehousing, analysis and testing, production and manufacturing, testing of end product and outgoing shipments. By tracing the source of purchased materials through the supply chain map, Easpring pre-audits and self-assesses the suppliers; collects information such as supplier registration, shareholders' information through supplier quality capability questionnaires, Know Your Supplier (KYS) questionnaires and other approaches to build up supplier profiles.

Easpring reports the results of supply chain risk assessment to senior management in a timely manner. Additionally, it actively engages in discussion on risk mitigation measures with suppliers and interested stakeholders to guide and help them establish and implement supply chain due diligence management systems. If the investigation finds that a supplier is operating in high-risk areas, being involved in serious infringements related to mineral mining, transportation and trading, or engaged in serious violations of business ethics without the intention to make rectifications of their malpractices, Easpring will cease the cooperation with the related supplier. After communicating Easpring's requirements on conflict minerals to suppliers, it signed a Declaration on the Non-Use of Conflict Minerals with major raw material suppliers.

In addition, Easpring also accepts third-party audits to reflect the execution of responsible mineral supply chain due diligence management and areas need to be improved from an objective and professional perspective. This helps Easpring to better safeguard the due diligence management system. During the reporting period, Easpring accepted third-party audits entrusted by customers for 4 times. Easpring regularly discloses the annual Responsible Mineral Supply Chain Due Management Report on our official website to provide stakeholders with information and updates on our responsible mineral supply chain due diligence management. At the same time, we obtained the approval to join the "Responsible Cobalt Initiative" (RCI) in 2017. As part of the commitment to responsible mineral supply chain management, Easpring occasionally shares responsible mineral-related training materials with suppliers and requires them to provide all their employees with internal training to continuously improve suppliers' awareness and ability of responsible mineral management. By working together, Easpring strives to create a healthier and more responsible mineral supply chain.



Customer Services

Easpring adheres to the "customer-centered" service concept and creates a marketing model integrating research and sales. Through the in-depth research on market trends and technology routes, Easpring responds quickly to the product and cost demands of domestic and foreign high-quality customers and continue to increase the supply share of our products to our customers. Meanwhile, Easpring continues to refine the marketing model, to actively achieve customer satisfaction and improves the speed of responding customers' demands. Easpring has now set up an office in South Korea, and is well-equipped with an international customer service team. This enables Easpring to build strong partnerships with leading global power battery companies and automobile manufacturers.

Policy Development

Easpring insists on providing standardized service processes and reliable solutions to the customers around the world. Easpring has formulated customer relationship management policies such as the Customer Management Regulations, the Customer Satisfaction Control Procedures, the Sample Delivery Management Regulations and the Nonconforming Product Control Procedures. Easpring has also set up a full-process customer service response mechanism, striving to optimize customer service experience to the maximum extent and accelerate the speed of customer service response.

Pre-sales services	In-sales services	Post-sales services
In response to customer needs, we provide development strategies and plans, early quotations, sample delivery, data archiving, technical support, supplier certification and other aspects and other aspects of support.	To meet customer needs, we offer a range of services such as logistics development, order delivery, returns and exchanges.	We respond to and handle quality issues or discrepancies in products or services purchased by our customers, and provide our customers with comprehensive technical support.

Customer Relationship Management

Easpring actively maintains active communication and exchange with all customers. To meet the management requirements of different levels of customers, the sales staff regularly acquire customer needs and gather their feedback through various channels such as phone calls, emails, and follow-up visits, and input the collected information into the customer information database. We set up an office in Korea, which is led by Korean experts with extensive experience in the industry for in-depth understanding of the requirements in local market and the establishment of closer relationship with Korean customers. Easpring also pursues a digital and intelligent customer management model, with a CRM (Customer Relationship Management) system currently under implementation and expected to be put online. In the future, the system can transfer all the off-line management of domestic and foreign customers to the on-line platform, and thus form a traceable, full-process internal sales order management system.

Customer Complaints and Satisfaction Survey

In order to gain targeted insights into our customers' concerns and feedback on product quality, technology and market services, product delivery and other aspects in the process of product use, we have formulated the Customer Satisfaction Control Procedure and the Customer Complaint Control Process, and carries out customer satisfaction surveys every year by means of external customer information collection and internal performance monitoring. During the reporting period, we achieved a target of no less than 91% customer satisfaction and 100% timely process rate of customer product and service complaints.

Easpring proactively monitors the customer scorecard in the customer's supplier evaluation system and sends satisfaction questionnaires to customers with annual sales of more than 100 tons, key customers as defined in the business plan and other important customers. Customers mainly evaluate Easpring from product quality, delivery performance, price competitiveness, business cooperation and other indicators. After receiving the information, the business and quality personnel share the feedback with internal departments for further improvement.

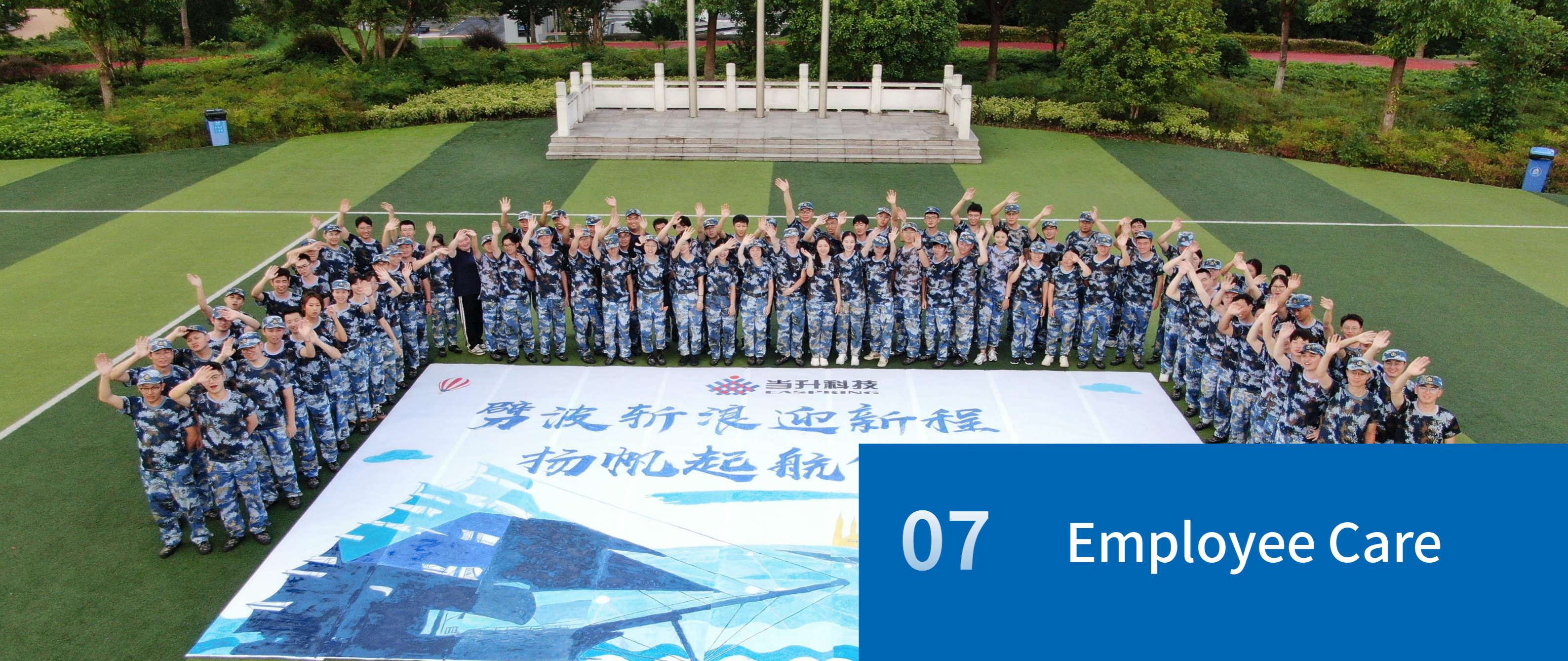
Easpring conducts statistical analysis on customer complaints, customer loss, order loss, on-time delivery rate, the number of return and exchange, and excess freight for each factory every year, and has developed the Internal Performance Monitoring and Survey Report and the Customer Satisfaction Improvement Measures for regular feedback. During the reporting period, there were no product recalls received by Easpring.

Responsible Marketing

Adhering to the philosophy of responsible marketing, and taking into account the characteristics of the industry and our strengths, Easpring has applied the marketing mode with the integration of research and marketing, technology-oriented marketing and the trinity marketing method to involve active participation of all employees. This model adopts a specialized division of labour for special products to promptly address customer needs.

During the reporting period, Easpring has set up a sales team with members possessing advanced technological know-how, strong execution capabilities and excellent customer service skills, which is dedicated to providing customers with more targeted and high-quality service experience. Easpring provided training for relevant sales staff on the application, performance, manufacturing process, parameters and testing methods of batteries. Equipped with profound understanding of Easpring's product performance, characteristics, technical parameters and other information, the sales teams are able to provide tailored product solutions and application guidance based on specific R&D needs of our customers.

At the same time, Easpring values the enhancement of the management ability of Marketing Department and Procurement Centre, thereby it provided training on the featured topic of "marketing management and supply chain management" to them. With the combination of theories and practices, the staff can be benefited from mastering the execution strategy in the sales and procurement businesses, which can efficiently response to the market change and satisfy customers with ideal products and services.



07 Employee Care

Adhering to the employment philosophy of “choosing talents with virtue and potential”, Easpring has established a talent management system to select talents from the internal and external resources, cultivate them with appropriate training, employ talents without any constraints, and retain talents through incentives and care. Also, Easpring regards the growth and value of employees as the key for enhancing the competitiveness and sustainable development of Easpring. While adhering to the bottom line of compliant employment, Easpring focuses on employee care and communication by listening to their actual development needs, and continuously improving the systems related to employee remuneration and benefits, cultivation, and health and safety, in a bid to achieve common development of employees and Easpring.

Employee Management

Employee Benefits

Occupational Health and Safety



Employee Management

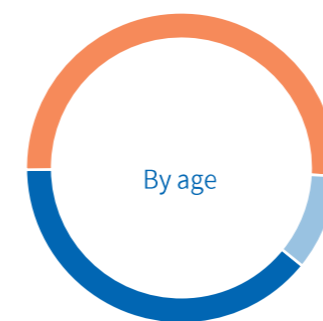
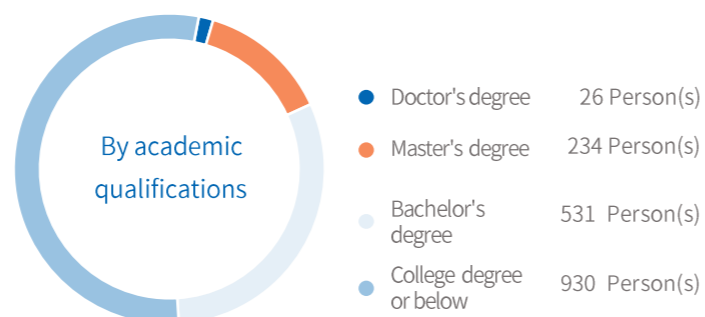
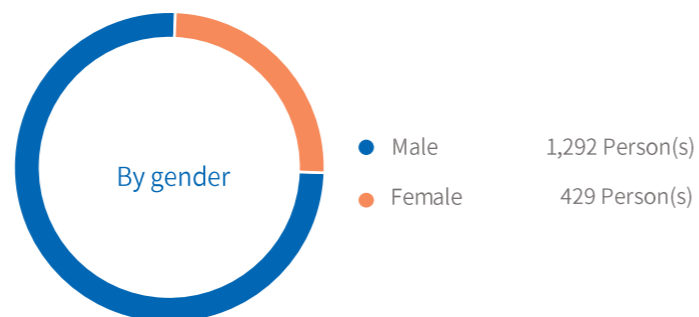
Easpring believes that employees are the most valuable asset. Based on compliant employment, Easpring proactively establishes communication channels for employees and listens carefully to their voice. In doing so, Easpring aims to improve employee happiness and satisfaction, and strive to create an equal, respectful, inclusive and diverse working environment for employees.

Compliant Employment

Easpring strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Provisions on Prohibition of Child Labour, and other relevant laws and regulations on labour employment of the place where it operates. Besides, Easpring has formulated a number of internal management policies such as the Employee Handbook, the Employee Recruitment Management Regulations, and the Employee Onboarding and Dismissal Management Regulations, to standardise and improve the management of employees throughout their lifecycle.

For talent selection, Easpring has established an external talent selection method that covers multiple media and channels, including campus recruitment, online recruitment, media advertising, talent market, headhunting agencies and job intermediaries, to actively expand employer branding by fully leveraging online and offline platforms. Easpring's subsidiaries also conduct internal position campaign, talent selection and deployment to reduce human resource costs, ensuring that the quality and competence of personnel meet the development needs as well as effectively and accurately allocating high-quality talents to appropriate position. This will inject more vitality and power to our development and allocate our human resources in an orderly and reasonable manner.

Total number of employees
1,721



- ≤30 years old 671 Person(s)
- 30-50 years old 878 Person(s)
- ≥50 years old 172 Person(s)



- China 1,717 Person(s)
- Overseas countries and regions 4 Person(s)



- Junior staff 1,599 Person(s)
- Middle management 115 Person(s)
- Senior management 7 Person(s)



Easpring supports the Universal Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights endorsed by the United Nations. With reference to the provisions of the United Nations Global Compact, Easpring has formulated the Human Rights Policy to safeguard the legitimate rights and interests of employees. Easpring firmly rejects child labour and refuse any form of forced labour or enslavement of employees. During the reporting period, there were no incidents of child labour or any form of forced labour in Easpring.

Easpring advocates legal and equal employment. All directors, supervisors, management personnel and employees are required to prohibit any unlawful discrimination on the basis of race, skin colour, gender, religion, ethnic origin, sexual orientation, gender identity or expression, disability or age. Easpring reserves zero tolerance to any offensive or abusive language or harassment. During the reporting period, there were no incidents related to violations of equality, diversity, anti-discrimination and other laws and regulations in Easpring.

Easpring actively seeks to create a working environment with equity, harmony and diversity. In response to the national call, Easpring implements relevant policies and requirements for stabilising, promoting and securing employment for the disabled, and provides jobs and employment opportunities for the disabled. In addition, Easpring respects the freedom of association and the right of collective bargaining and strives to promote transparent and cooperative employment relationships. Easpring is committed to equal employment opportunities and hires employees from different ethnic backgrounds. During the reporting period, the proportion of minority representatives in Easpring's management is accounted for 12%.



● Han 88%
● Ethnic minorities 12%



● Miao 20% ● Yi 16%
● Mongol 16% ● Manchu 14%
● Tujia 13% ● Gelao 9%
● Chaoxian 4% ● Buyei 4%
● Uygur 2% ● Zhuang 2%

Employee Activities and Care

Easpring is committed to creating a healthy and warm working atmosphere for employees to facilitate work-life balance. Based on the actual needs and work of employees, Easpring actively organises a number of employee-caring as well as cultural and sports activities to enrich their working life and reward their hard work.

In terms of employee activities, Easpring regularly conducts activities themed as “offering warmth in winter, coolness in summer, and blessings on holidays”, sending our care and gifts to frontline employees, and organising holiday-related activities and gifts for employees on festivals such as the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, Women's Day, Children's Day and Army Day. To improve employees' health and enhance team cohesiveness, Easpring also carries out a variety of sports competitions such as basketball, table tennis, badminton, and football. Additionally, Easpring gives support for employees who are getting married, having children, or are hospitalised so as to continuously enhance their sense of belonging and identity.



Employee Activities

In January 2023, Easpring visited employees in difficulty by having cordial talks with them and providing consolation fund to them.



In March 2023, the ‘Employee Home’ built by Easpring's labour union was officially put into operation, providing employees with activity venues such as book room, activity rooms, outdoor courts and atrium activity area.



Employee Activities

In May 2023, Easpring invited Dai Juwei, a national second-level psychological counsellor and associate professor of Jintan District Labour Union in Changzhou, to give a lecture on mental health to our employees.



In May 2023, Easpring organized the family day to allow employees' families to visit Easpring and experience the corporate culture and humanistic care.



For female employees, Easpring positively safeguard and protect their legitimate rights and interests, and to show its care with practical actions by conducting legal education activities, incense DIY activity on Women's Day and offering two free physical examinations for the two cancers screening program (HPV and Breast cancer) for female employees, creating a company atmosphere full of humanistic care. During the reporting period, female employees of Easpring accounted for 24.93% of the total in-service workforce.

Care for Female Employees

In 2023, on the eve of Women's Day, Easpring's labour union organised a law legal education for female employees, arranged an incense DIY activity on Women's Day, and distributed gifts to female employees.



In March 2023, Easpring organised a special lecture on women's health to help female employees understand cervical cancer and breast cancer.



Employee Activities

In September 2023, Easpring organised all employees to watch films themed with positivity to further enhance their safety awareness and enable them to know, identify and prevent fraud, and take anti-fraud actions.



In 2023, Easpring organised a number of activities such as Lawn Music Festival, food festival, and blind date party for single employees throughout the year.



In May 2023, on the occasion of Mother's Day, we prepared gifts for all "mothers".

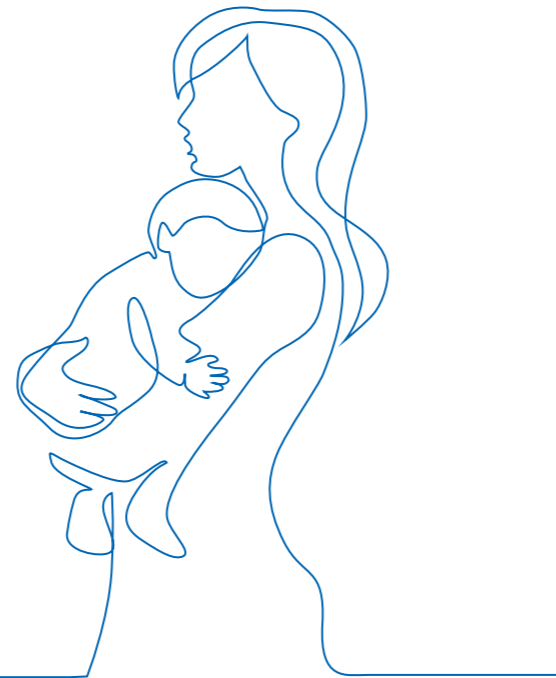


In December 2023, the labour union organised training on emotional value management for female employees.



Care for Female Employees

In June 2023, the labour union built the ‘carnation service station’ -- the baby care room, which equipped with cribs, sofas, water fountains, sinks, lockers, microwave ovens, refrigerators and other necessary equipment and items.



● “QR code” online processing platform

During the reporting period, the number of problems of various employees suggested on the platform addressed by Easpring,

58

Problem solving rate

100%



Employee Communication Channels

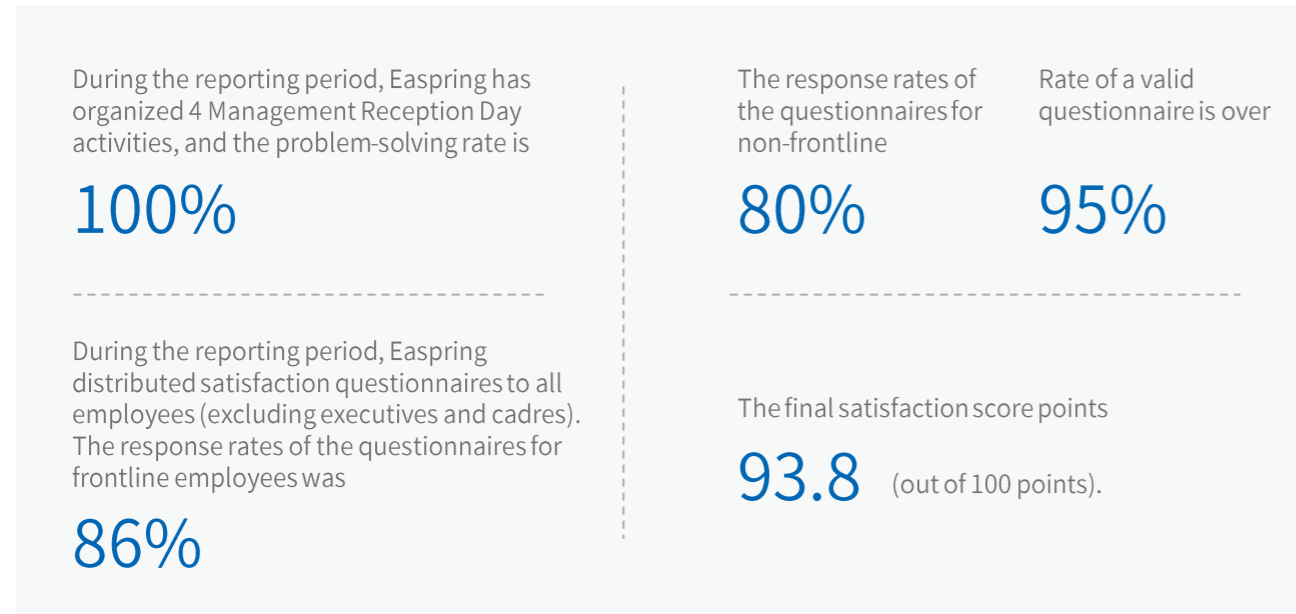
Easpring is committed to achieving common progress with employees and attaches importance to communicating with and listening to them. At present, we have provided various online and offline communication channels, such as corporate email and WeCom system, ‘QR code’ applet, offline symposium, management reception day, and suggestion box. We have also piloted the internal dispute resolution mechanism in subsidiaries. Easpring arranges management personnel to communicate with employees at key parts in work such as the onboarding, the end of probation period and performance assessment via the open, transparent and smooth communication channels, to understand their psychological needs and feedback in order to improve communication efficiency, and to seek solutions with them to help them better fit into the Company.

Easpring actively listen to employees' opinions and suggestions in various forms such as the “QR code” online processing platform, symposium and front-line visit, so as to create an open and inclusive communication platform, comprehensively understand the needs and voices of employees, and further enhance the cohesion and competitiveness of the Company. Through this innovative “QR code” online processing platform, we encourage employees to put forward their own suggestions and opinions anytime and anywhere. Employees only need to scan the specific QR code to enter the suggestion submission system and fill in and submit their ideas, making communication more convenient and efficient. During the reporting period, we addressed 58 problems of various employees suggested on the platform, with a problem solving rate of 100%.

Easpring regularly holds Workers Congresses to encourage them to demonstrate their sense of responsibility as masters, actively put forward opinions on mechanism, system and management and suggestions on the vital interests of employees for further reformation and feedback to our management and relevant departments to promote proper solution of problems in a efficient way. We set up regular management reception day activities, arranges one-on-one face-to-face communication between our management members and employees for understanding the needs of employees, and addressing the problems existing in work and that in the life of employees. During the reporting period, we have organized 4 Management Reception Day activities, and the problem-solving rate is 100%.

For employee complaint management, we have set up a management program for the appeal/complaint of employees, where they can submit complaints about unfair treatment to the appropriate management personnel. Easpring will strictly keep confidential the complainant's information. In addition, employees can appeal through our complaint hotline, complaint box, and complaint QR code. We make responses within 2 working days and returns the investigation results within 5 working days.

Easpring explores the difficulties faced by frontline and non-frontline employees in their work and life and understand their main demands through electronic questionnaires every year that focus on eight dimensions, including “corporate culture, internal harmony, management style, management mechanism, growth and development, logistics and support, spiritual rewards and material rewards”. For issues that are prominent, we will, based on employees' demands and our current development, identify the responsible departments and put forward corresponding improvement measures, such as appropriately adjusting the income structure, formulating employee incentive policies, and strengthening face-to-face communication about performance, in order to continuously improve employees' benefits, meet their career development and work-life balance needs, and increase their happiness and satisfaction. Easpring implements the segregation of duties for relevant personnel who prepare, review and approve the annual Employee Satisfaction Survey Analysis Report to ensure the authenticity and validity of the final results. During the reporting period, we distributed satisfaction questionnaires to all employees (excluding executives and cadres). The response rates of the questionnaires for frontline and non-frontline employees were 86% and 80% respectively, with a valid questionnaire rate of over 95%, and the final satisfaction score was 93.8 points (out of 100 points).



Employee Benefits

Upholding the concept of recruiting talents while supporting their progress, Easpring values employees' career development and personal value enhancement and provide employees with diversified remuneration and non-salary benefits, continue to strengthen the construction of a talent development system, and establish clear, well-defined career development paths. In this way, Easpring can guide and motivate employees to fully realise their potential for continuous value enhancement.

Employee Remuneration and Benefits

Easpring has established a scientific remuneration performance management system, and formulated and implemented a series of internal management policies, such as the Remuneration Management Policy and the Performance Management Policy, to provide employees with industry-competitive remuneration. Besides, it continues to improve the performance assessment and incentive mechanism, in a bid to build an open, fair, and impartial assessment system. We provide diversified employee benefits, introduces the industry-leading employee stock ownership plans, and actively explore various short-term and long-term incentives such as rewards for scientific and technological achievements and technology dividends. In this way, we can share our development outcomes with employees in a reasonable manner and establish a sustained, stable and harmonious labour relationship.

For employee motivation, we have formulated the “3+N” remuneration incentive system to motivate employees in a positive manner. We work to build a market-based compensation mechanism to enhance employees' intrinsic motivation. Easpring organically combines excess profits sharing with long-term incentives, and implements employee stock ownership plans and follow-on investment plans to further motivate the management team and core employees to create value and collectively share the fruits of our reform and development. During the reporting period, we implemented the 4th Management and Core Backbone Equity Increase Plan, and around 300 employees participated in the plan.

For employee benefits, in accordance with relevant laws and regulations, Easpring fully pays the Insurance and Housing Fund for all employees and provide statutory holidays, including but not limited to annual leave, sick leave, injury leave, marriage leave and parental leave. Additionally, we provide various remuneration welfare allowances based on different work scenarios, such as night shift allowance, high temperature allowance, long-term off-site assignment allowance, critical illness insurance, accident insurance, enterprise annuity and housing subsidy for new hires, as well as various non-salary benefits such as leasing of public rental housing, meal allowance, free accommodation in factories, shuttle bus and holiday gifts. During the reporting period, we invested RMB 13.6512 million in cash benefits and RMB 16.9783 million in non-cash benefits.



We implemented the 2023 Management and Core Backbone Equity Increase Plan, the number of employees participated in the plan

300

Million of RMB Easpring invested in cash benefits

13.6512

Million of in non-cash benefits.

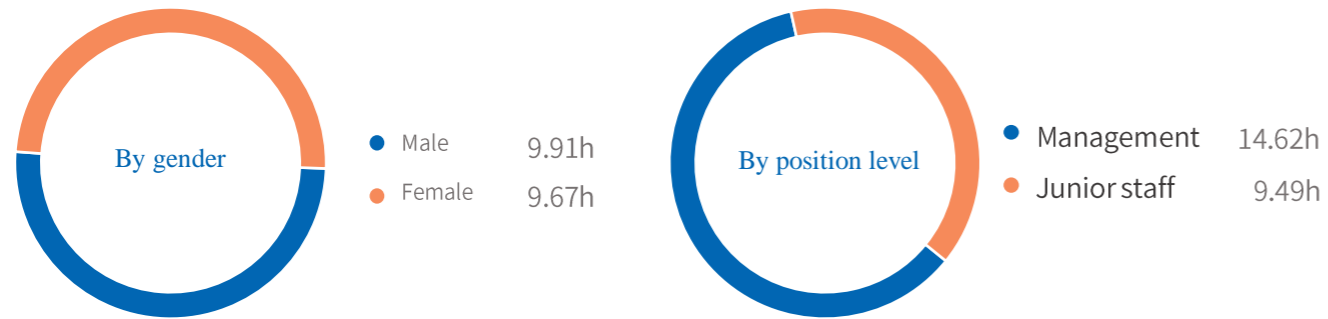
16.9783

Employee Training and Development

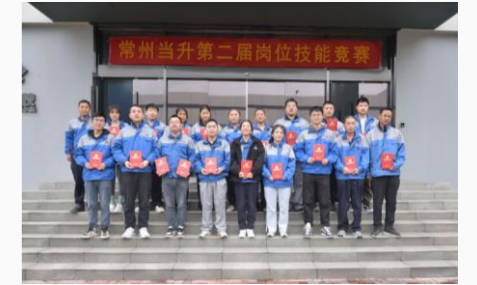
Easpring attaches great importance to the growth and development of our employees. According to the development needs of employees in different positions and businesses, we have formulated supporting training activities and courses, and provide corresponding education improvement plans to help employees enhance their professional skills and competence. In addition, we also provide employees with diversified career development opportunities and clear career promotion paths to continuously build competitive organisational and management capabilities.

For talent training, Easpring has established a sound orientation training system to help new joiners learn our culture, policies and business processes, enabling them to fit into us and their departments as soon as possible. For in-service employees, Easpring constantly carries out training programmes on general, management and professional skills to continuously upgrade their professionalism and competences. Based on the strategic development objectives and the personalised needs of different departments, we have conducted special training activities on information security, privacy protection, anti-discrimination, anti-corruption and professional skills through the dual-tutor system, executive sharing, internal classroom learning, the “Pursuing Dreams of Education” programme and skill competition, combining the form of “learning, training and practice to effectively and comprehensively enhance the overall capabilities and professionalism of our talent pool. In this way, Easpring ensures a continuous supply of talent and achieve a win-win situation for both employees and the Company.

Average training hours per employee (hours)



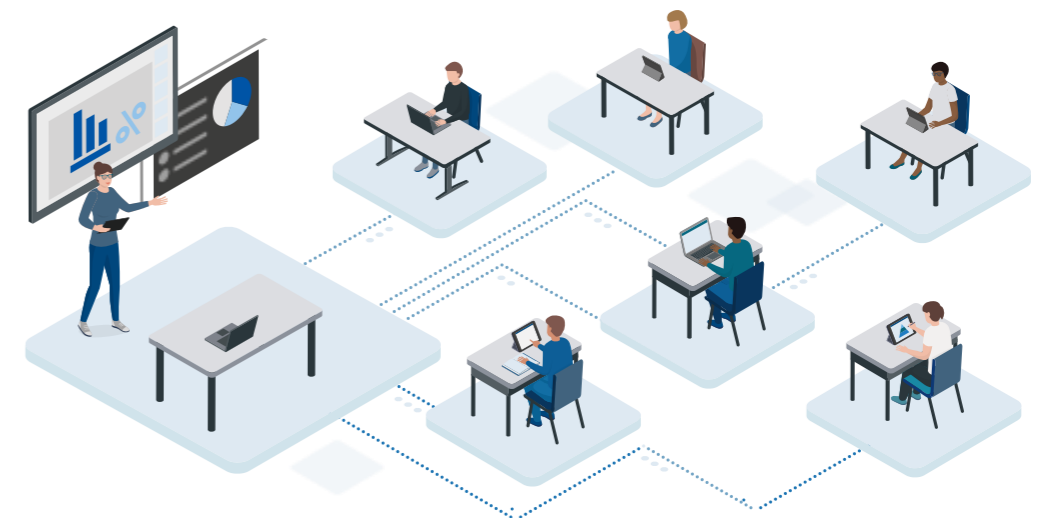
In November 2023, Easpring Changzhou hosted the second vocational skills competition. This competition adhered to the principles of “full participation, safe production, integration of competition and application, and emphasis on standards”, and focused on job characteristics of different work processes. The vocational skills competition, as one of the key measures to build an industrial workforce, provides a platform for employees to interact and communicate with each other and demonstrate their skills. This plays a positive role in promoting the spirit of craftsmanship, creating a culture of skill learning and enhancing employees' operational standards.



In February 2023, under the “Pursuing Dreams of Education” programme, Easpring held the first enrolment ceremony for the 12 employees who had passed exams and received admission offers of their dreams schools and offered them the one-off subsidies with best wishes. Since the launching of the “Pursuing Dreams of Education” programme, we have attached great importance to improving employees' academic qualifications. Easpring actively communicates with the Jintan District Labour Union and related universities, provides employees with places to study, such as the “employee book room”, and offers comprehensive follow-up services and support to improve the capabilities of our youth and build up the industrial workforce.



Easpring has established a clear and well-defined career development system, and it opened various career and promotion paths to pave the way for employee development. We carry out internal competition for positions, implements a talent rotation system and a “Z”-shape talent cultivation mode to allocate internal human resources through a market-oriented approach. Easpring certifies employees' qualifications for specific jobs focusing on performance, professional competence, quality, and moral character. We also define the responsibilities, process, and records documentation for each stage of the certification process, carrying out the construction of a tiered talent pool in an orderly manner.

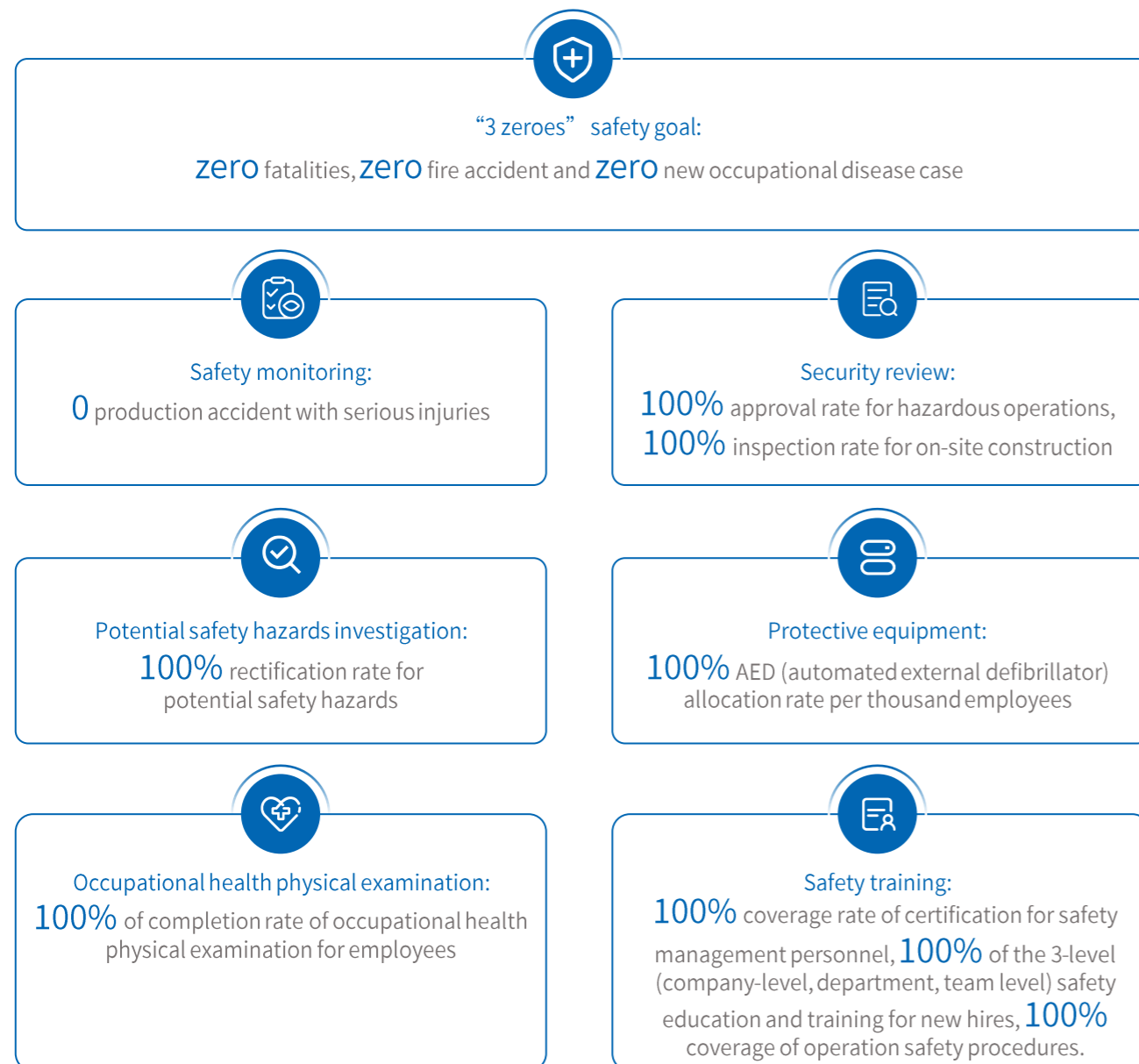


In April 2023, Easpring held training on the basic knowledge and manufacturing process of lithium-ion batteries (“LIBs”) for newly recruited sales engineers and procurement engineers. The training covers the preparation process, working conditions, engineering requirements, and equipment and tools used in producing LIBs. We also demonstrated the testing and manufacturing process on site to help them systematically learn and understand the basics of LIBs.



Occupational Health and Safety

Easpring strictly abides by the occupational health and safety laws and regulations in the regions where we operate. To ensure the health and safety of employees, we continuously improve preventive measures against various health and safety risks, strengthens its capabilities in responding risks and fosters self-protection awareness among employees, creating a safe and secure workplace. During the reporting period, we have set and achieved the following ESG goals related to occupational health and safety:



Occupational Health and Safety System

To reinforce work safety management, improve employees work safety awareness, prevent and reduce work safety accidents, and ensure the stability of production and operation, based on the actual conditions of its branches and subsidiaries, has established the Work Safety Committee (WSC) in light of the Work Safety Law of the People's Republic of China and related laws and regulations. WSC is composed of the main responsible persons and safety personnel of our branches and subsidiaries, who are responsible for implementing the Company's instructions and requirements, guiding and inspecting work safety in their regions, investigating significant work safety matters and measures; and coordinating and resolving major work safety issues.

To implement the safety management policy of ‘safety and prevention first’, Easpring has formulated internal systems such as EHS Management Manual, Safety Production Responsibility System for All Staff, Regulations on Hierarchical Control of Safety Production Risk and Potential Safety Hazards Investigation and Management, Regulations on Safety Management of Relevant Parties of the Headquarters, Office Building Management Regulations, Regulations on Restricted Space Management, etc, exercising the responsibility of work safety management for all levels and all kinds of personnel, and standardizing the requirements of work safety management. Currently, we have established a comprehensive internal occupational health and safety management system and has passed the ISO 45001 occupational health and safety management system certification.



Health and Safety Management Measures

Easpring continuously improves the health and safety management measures by focusing on system construction, risk management, inspection arrangements, potential hazards examination and rectification, special campaign, emergency drills and training. In doing so, we are committed to creating a healthy, comfortable and safe production and working environment.

Easpring has formulated several policies and rules, including the Management Measures for Hazardous Operations, the Management Measures for Hazard Prediction, and the Management Measures for False Alarm Incidents, and it takes various measures to identify, assess, and responds to internal and external health and safety risks. We also clarify the supervision, reporting, investigation, and handling responsibilities of the relevant departments and personnel, and arranges daily patrols, weekly inspections, pre-holiday checks, weekly checks for the part-time safety officers, and special inspections to identify potential safety hazards, generate a potential hazard list and to follow up on rectification, comprehensively guaranteeing the personal safety of employees. During the reporting period, the Company had no major work-related injuries.

Easpring has also developed a series of internal emergency systems, such as the Emergency Plan for Office Buildings, Emergency Plan for Production Safety Accidents, Emergency Plan for Food Poisoning, and Regulations on the Management of Emergency Facilities, Equipment and Materials, to cope with natural disasters, accidents, and public health emergencies. Meanwhile, these systems can also ensure that the rescue and rescue work can be carried out efficiently and in an orderly manner when the above situations occur, and more importantly, they can maximize the protection of the Company and employees' life and property safety. During the reporting period, we conducted various emergency drills and safety training sessions, covering areas such as fire safety, flood prevention, and emergency rescue. We also shared relevant cases that had occurred to help employees better identify hazards in office areas, laboratory centres, and other locations, and to cultivate employees' self-protection awareness and risk response capabilities.



● Fire equipment drill



● Flood prevention emergency drill

Easpring always put employees 'health and safety first, and put into practice the idea of 'prevention, governance, management and education' of occupational diseases. We also continue to promote the construction of health projects from the aspects of health management system, health environment, health promotion and intervention, health services and health culture, integrating healthy enterprise elements into the processes of production, operation and management and improving the working environment and conditions while safeguarding the health and well-being of employees.

Easpring also equips workplaces with the necessary protective and emergency equipment to regulate the notification and warning of occupational hazards in all workplaces. Moreover, we sign the Notice of Occupational Hazard Factors in Labor Contract with employees to clarify the occupational hazard factors and corresponding protective measures, strengthening the source prevention of occupational hazards, conducting the publicity events of the special treatments of occupational hazards and various occupational disease, and promoting the occupational health awareness and ability of all employees. Easpring also arranges annual occupational health check-ups for employees in positions exposed to occupational hazards, effectively safeguarding employees' rights to physical health and life safety. During the reporting period, we achieved a 100% occupational health check-up rate.



Rate of Easpring achieved in occupational health check-up.

100%



To guarantee the health of employees and save the lives of patients having sudden cardiac arrest, and improve the emergency rescue capability in public areas, Easpring Jiangsu and Easpring Changzhou installed 2 automatic external defibrillators (AED) in the public areas, with the installation rate of one AED per thousand employees reaching 100%. Additionally, "AED emergency rescue" training was conducted for employees to protect their health.

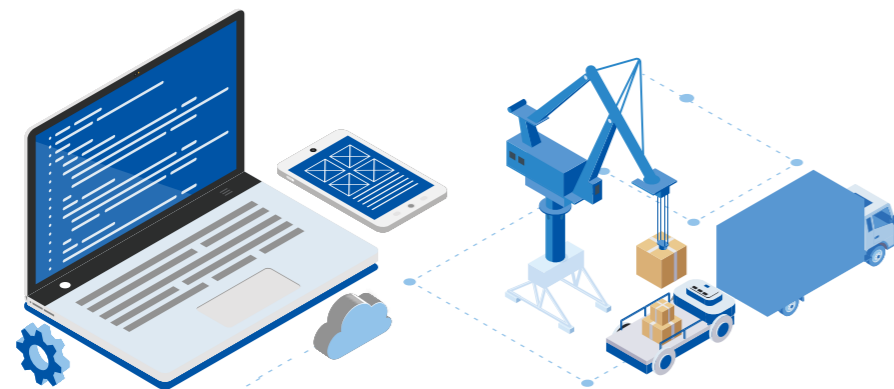


Chemical Safety Management

Easpring continues to refine measures on hazardous chemicals control. In light of the Regulations on the Safety Management of Hazardous Chemicals and other related laws and regulations, we have formulated the Measures for Hazardous Chemicals Safety Management, and the Hazardous Substance Management Measures, which assign specific actions to the corresponding responsible department, and standardise the management of hazardous chemicals throughout the entire process of procurement, transport, storage, use and disposal. In this case, Easpring can improve hazardous chemicals safety management. To prevent and reduce accidents related to hazardous chemicals, we have established and improved our verification and registration mechanism for hazardous chemicals as they enter and leave the warehouse, thereby ensuring the safety of employees' lives and property.

Management requirements for hazardous chemicals

- Procurement** Hazardous chemicals must be procured from enterprises or suppliers with production licenses or business permits for hazardous chemicals
- Transport** Hazardous chemicals must be transported by carriers with credentials, and safety liabilities and requirements should be specified when contracts are signed.
- Acceptance** Before the acceptance of hazardous chemicals, the variety, specification, and quantity of hazardous chemicals require verification to ensure that the packaging is intact, the seal is secure, the bagged items are not damp, and there is no leakage in the barrel-packed items.
- Warehouse entry** Warehouses for hazardous chemicals must be managed by designated personnel who should strictly check and record the specifications, quality and quantity of hazardous chemicals entering or leaving the warehouse.
- Storage** Warehouses for hazardous chemicals should meet the requirements for fire-proof, poison-proof, anti-theft, antiseptis and anti-leakage, and be kept ventilated, cool and dry.
- Distribution** Hazardous chemicals should be distributed by designated personnel. The package and sealing should be carefully checked when receiving hazardous chemicals.
- Use** Hazardous chemicals should be used in accordance with operating instructions, and appropriate protective equipment should be worn in accordance with the properties of the hazardous chemicals.
- Disposal** Departments using hazardous chemicals should have designated personnel to manage the waste of hazardous chemicals, develop safety and security measures, establish a ledger for hazardous chemicals waste, and store the waste in accordance with for hazardous waste management requirements.



Easpring also formulated the Emergency Plan for Hazardous Chemicals Accidents, the Measures for Reporting, Investigating and Handling of Occupational Health and Safety and Environmental Accidents, which classify the accident types, provide corresponding emergency response process, and facilitate the establishment of a fast and effective rescue mechanism to prevent and reduce the losses caused hazardous chemical accidents.

Easpring actively carries out a number of emergency rescue drills to improve employees' abilities to respond to hazardous chemical accidents in daily work. During the reporting period, we had no significant incidents or penalties related to hazardous chemicals



● Hazardous chemical leakage emergency drill





08 Social Contribution

Easpring keeps giving back to society and promotes rural revitalisation by providing assistance to vulnerable groups, stabilising employment and organising donations. Easpring also actively participates in community welfare activities and plays the part in promoting the sound development of society, integrating the development with rural revitalisation and public welfare to fulfil our social responsibilities.

Charitable donations

Community Service



Charitable Donations

In response to the national strategy, Easpring makes full use of its technological and industrial advantages to help address the development challenges of assisted areas through pro-consumption poverty alleviation, cash donation and on-site visit, and continuously work to consolidate and expand the achievements in poverty alleviation, contributing to the development of areas that have been lifted out of poverty as well as the rural revitalisation initiative. To fulfil our responsibilities under the paired assistance programme, it has also formulated the Donation Management Measures, to strengthen the management and monitoring of poverty relief funds.

Since 2019, a total of RMB 300,000 has been donated to Pingyu County in Henan Province, the Company's paired assistance target, to help improve local people's living environment, build supermarkets, and help multiple local villages improve village appearance and quality to create a demonstration "beautiful village", consistently contributing to the rural revitalisation.

Easpring actively participated in the activities of "Pro-consumption Poverty Alleviation by Stated-Owned Enterprises", purchased nearly 1.3 million yuan of consumption poverty-alleviation materials through the platform of "Stated-Owned Enterprises Consumption Help", effectively combining doing good and practical things for the employees with the company's efforts to help the country's rural revitalization, and contributing to the revitalization of the countryside with practical actions. Contribute to the revitalization of the countryside through practical actions.



Easpring has donated to Pingyu County in Henan Province total RMB

300,000

Through the "Pro-consumption Poverty Alleviation by Stated-Owned Enterprises" platform, Easpring purchased materials worth around RMB

1.3million



● Donation to Pingyu County

Community Service

During the rapid development of the Company, Easpring never forgets to be passionate about public welfare and continuously gives back to society. Easpring encourages different party organisations, labour unions, and the organization of the Communist Youth League to actively carry out welfare activities for local communities, such as sending warmth to communities and organising volunteer services. We also mobilise the party members, cadres, employees, and members of Youth League to participate in these activities and strengthen communication and exchanges with local residents. In addition, Easpring continuously improves employees' ethics and qualities to demonstrate that its employees care about the society and we are dedicated to building a corporate culture of caring for others and the society through doing good deeds.

Since 2019, Easpring has been offering support to Tianyin Rehabilitation Centre as its paired assistance target and has continuously carried out charitable activities to help people with disabilities. We have successively funded the centre to lay indoor and outdoor floorings with environment-friendly materials, purchased air conditioners, office computers, toys for educational purposes, parent-child classrooms, and indoor and outdoor sensory integration training equipment. By continually optimising the learning and living environment, enriching and improving the rehabilitation equipment, Easpring aims to satisfy the learning and activity needs of the children and help more "broken angels" to return to normal social life.



In March 2023, the Company's labour union, youth league general branch organised over 10 members to visit Zhangjiakou Xuanhua Tianyin Rehabilitation Centre to send warmth and care to the children there. The Company helped lay the environment friendly rubber flooring to ensure the health and safety of the children, and it also organised employees to donate unused books, school supplies, toys, and clothings to the children, contributing to the building of a harmonious society through caring acts.





In March 2023, in response to the national call, a volunteers group composed of representatives from our party organisation, labour union and youth league group went into the Senior Activity House in Zhedang Village to help clean up the environment, chat and play chess with the elderly. Meanwhile, the volunteers sent milk, fruit, and other gifts to families with financial difficulties.



In August 2023, Easpring was invited to attend the awards ceremony held by Zhedang Village to honour the outstanding students who excelled in the 2023 college entrance examination. Easpring, together with members of the village party branch committee and the villagers committee, brought daily necessities, school supplies, flowers, and cash to these students.



Appendix I Table of ESG Key Performance Indicators for 2023

Table of Key Environmental Indicators¹

Indicator	Unit	2023
Energy usage		
Total comprehensive energy consumption ²	Tonne of standard coal equivalent	60,999.01
Petrol	Tonne(s)	22.50
Diesel	Tonne(s)	11.13
Purchased electricity	MWh	430,593.97
Steam	GJ	247,724.19
Natural gas	m ³	3.50
Photoelectricity(Self-generation and self-consumption)	MWh	1,393.97
Total energy consumption intensity	Tonne of standard coal/RMB million	4.03
GHG emissions ³		
Total emissions (Scope 1 + Scope 2) ⁴	Tonnes CO2 equivalent	280,593.87
Scope 1 (Direct) emissions	Tonnes CO2 equivalent	7,855.36
Scope 2 (Indirect) emissions	Tonnes CO2 equivalent	272,738.51
Carbon emission intensity	Tonnes CO2 equivalent/RMB million	18.55
Comprehensive energy consumption		
Water resources		
Total water withdrawals	10,000 tonnes	52.89

Indicator	Unit	2023
Municipal water withdrawals	10,000 tonnes	52.89
Total displacement	10,000 tonnes	14.44
Total water consumption	10,000 tonnes	38.45
Recycling and reusing water	10,000 tonnes	14.76
Water withdrawal intensity	10,000 tonnes/RMB million	0.0035
Other resources		
Total use of other resources	Tonne(s)	1,119.3
Production packaging materials ⁵	Tonne(s)	1,117.3
Office paper	Tonne(s)	2.0
Other resources recycled and reused	Tonne(s)	631.8
Intensity of use of other resources	Tonne/RMB million	0.074
Exhaust emissions		
Total exhaust emissions	Kg	3583.86
Ammonia	Kg	272.16
Particulate matter	Kg	3311.70
Intensity of total exhaust emission	Kg/RMB million	0.24

Indicator	Unit	2023
Solid waste generated		
Total solid waste generation	Tonne(s)	1,615.02
Hazardous waste	Tonne(s)	115.37
General waste	Tonne(s)	1,499.65
Intensity of total solid waste generation	Tonne/RMB million	0.11

Note:

¹ The environmental data covers the two main production areas of Jiangsu Easpring Material Technology Co., Ltd. and Easpring Technology (Changzhou) New Materials Co., Ltd.

² The involved calculations refers to the General rules for calculation of the comprehensive energy consumption (GB/T 2589-2020), covering energy types such as petrol, natural gas, electric energy and steam.

³ The accounting methods for GHG emissions refer to the GHG Protocol-A Corporate Accounting and Reporting Standard and the Greenhouse Gases Part 1: Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals (ISO 14064-1:2018). The selection of GHG emission factors was based on the methodology from Intergovernmental Panel on Climate Change (IPCC), the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Electronic Equipment Manufacturing Enterprises (Trial) issued by the National Development and Reform Commission, and China Products Carbon Footprint Factors Database (2022) issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁴ Scope 1 emissions mainly include stationary source combustion, mobile source combustion and fugitive emissions. Scope 2 emissions mainly include purchased electricity and heat.

⁵ Production packages include tonne bags, pallets and cartons, etc.

Table of Key Social Indicators

Indicator	Unit	2023
Employment		
Total number of employees	Person(s)	1,721
By gender		
Female	Person(s)	429
Male	Person(s)	1,292
By academic qualifications		
PhD candidate	Person(s)	26
Master degree candidate	Person(s)	234
Bachelor's degree	Person(s)	531
Associate degree or below	Person(s)	930
By age		
≤30	Person(s)	671
30-50	Person(s)	878
≥50	Person(s)	172
By position level		
Senior management	Person(s)	7
Middle management	Person(s)	115
Junior staff	Person(s)	1,599

Indicator	Unit	2023
By geographical region		
China	Person(s)	1,717
Overseas countries and regions	Person(s)	4
Management		
By gender		
Female	Person(s)	22
Male	Person(s)	100
By age		
≤30	Person(s)	2
30-50	Person(s)	110
≥50	Person(s)	10
Employee training		
Employee training coverage	%	100
Total hours of employee training	Hour(s)	16,953.77
Hours of training per capita for employees	Hour(s)	9.85
By gender		
Female	Hour(s)	9.67
Male	Hour(s)	9.91
By employment level		
Management level		14.62

Indicator	Unit	2023
Staff level	Hour(s)	9.49
Occupational health and safety		
Coverage of employees undergoing occupational physical examination	%	100
Number of safety drill activities	Session(s)	29
Suppliers		
Total number of suppliers	Company(ies)	132
Number of new suppliers	Company(ies)	24
Proportion of localised procurement	%	21.21
R&D related information		
R&D investment	RMB 100 million	4.08
Number of R&D staff	Person(s)	412
Intellectual Property Protection and patents application		
Accumulated number of patent applications	Piece(s)	641
Number of new applied patents	Piece(s)	147
Accumulated number of authorized patents	Piece(s)	280
Number of new authorized patents	Piece(s)	46
Product and service		
Complaint handling rate for products and services	%	100
Product recall events	Piece(s)	0

Note: The supplier data mainly covers the suppliers for bidding in procurement of main materials and engineering equipment, which are uniformly managed by us.

Indicator	Unit	2023
Percentage of total shipped or shipped products recalled for health and safety issues	%	0
Public welfare		
Total investment amount	RMB million	1.72

Table of Key Indicators of Corporate Governance and Economic Performance

Indicator	Unit	2023
Economic performance		
Total assets	RMB 100 million	174.10
Revenue	RMB 100 million	151.27
Anti-corruption		
Proportion of Boards of Directors involved in anti-corruption training	%	100
Proportion of employees involved in anti-corruption training	%	100

Appendix II GRI Content Index

Statement of use Easpring has prepared the report in accordance with the GRI Standards from 1 January to 31 December 2023.

GRI1 used GRI1: Foundation 2021

Applicable GRI Sector Standard(s) No industry standards in use

GRI Standards	Disclosure items	Location
	2-1 Organisational details	Company Profile
	2-2 Entities included in the organisation's sustainability reporting	About this Report
	2-3 Reporting period, reporting frequency and contacts	About this Report
	2-4 Restatements of information	No restatement
	2-5 External assurance	Assurance Statement
	2-6 Activities, value chain and other business relationships	Company Profile Responsible Supply Chain
	2.7 Employees	Employee Care
	2-8 Workers who are not employees	Occupational Health and Safety Table of Key Social Indicators
GRI2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Overseeing role of the highest governance body in terms of managing impacts	Promoting Sustainable Development Materiality Assessment
	2-13 Delegation of responsibility for managing impacts	Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	About this Report Promoting Sustainable Development Materiality Assessment

GRI Standards	Disclosure items	Location
GRI2: General Disclosures 2021	2-15 Conflicts of interest	Corporate Governance Compliance Operation
	2-16 Communication of critical concerns	Promoting Sustainable Development Materiality Assessment
	2-17 Collective knowledge of the highest governance body	Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Compliance Operation
	2-19 Remuneration policies	Omitted
	2-20 Process to determine remuneration	Corporate Governance
	2-21 Annual total compensation ratio	Omitted
	2-22 Statement on sustainable development strategy	Message from our Chairman Promoting Sustainable Development
	2-23 Policy commitments	Compliance Operation Responsible Supply Chain Employee Management
	2-24 Embedding policy commitments	Compliance Operation Responsible Supply Chain Employee Management
	2-25 Processes to remediate negative impacts	Compliance Management Responsible Supply Chain Employee Management
	2-26 Mechanisms for seeking advice and raising concerns	Compliance Operation Responsible Supply Chain Employee Management
	2-27 Compliance with laws and regulations	Chapters of the report

GRI Standards	Disclosure items	Location
GRI2: General Disclosures 2021	2-28 Membership associations	Responsible Supply Chain Industry Development
	2-29 Approach to stakeholder engagement	Communication with Stakeholders
	2-30 Collective bargaining agreements	Omitted
GRI3: Material Topics 2021	3-1 Process to determine material topics	Communication with Stakeholders
	3-2 List of material topics	Communication with Stakeholders Materiality Assessment
	3-3 Management of material topics	Materiality Assessment
GRI201: Economic Performance 2016	201-1 Economic value directly generated and distributed	Compliance Operation Table of Key Indicators of Corporate Governance and Economic Performance
	201-2 Financial implications and other risks and opportunities due to climate change	Response to Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Employee Benefits
	201-4 Financial assistance received from government	Omitted
GRI202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Omitted
	202-2 Proportion of senior management hired from the local community	Omitted
GRI203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Contribution
	203-2 Significant indirect economic impacts	Social Contribution
GRI204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Omitted
GRI205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance Operation
	205-2 Communication and training about anti-corruption policies and procedures	Compliance Operation
	205-3 Confirmed incidents of corruption and actions taken	Compliance Operation

GRI Standards	Disclosure items	Location
GRI206: Anti-competition 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and anti-monopoly practices	Compliance Operation
	207-1 Tax policy	Omitted
	207-2 Tax governance, control, and risk management	Omitted
GRI207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	Clean Production Environmental Management Management of Three Wastes Management of Water Resources
	207-4 Country-by-country reporting	Omitted
	301-1 Materials used by weight or volume	Table of Key Environmental Indicators
GRI301: Materials 2016	301-2 Recycled input materials used	Clean Production Table of Key Environmental Indicators
	301-3 Reclaimed products and their packaging materials	Clean Production Table of Key Environmental Indicators
	302-1 Energy consumption inside of the organisation	Clean Production Table of Key Environmental Indicators
GRI302: Energy 2016	302-2 Energy consumption outside of the organisation	Omitted
	302-3 Energy intensity	Clean Production Table of Key Environmental Indicators
	302-4 Reduction of energy consumption	Clean Production
	302-5 Reductions in energy requirements of products and services	Clean Production
	303-1 Interaction between organisations and water as a shared resource	Management of Water Resources
GRI303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Management of Three Wastes Management of Water Resources
	303-3 Water intake	Management of Water Resources Table of Key Environmental Indicators

GRI Standards	Disclosure items	Location
GRI303: Water and Effluents 2018	303-4 Water discharge	Management of Three Wastes Table of Key Environmental Indicators
	303-5 Water consumption	Table of Key Environmental Indicators
GRI304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Omitted
	304-2 Significant impacts of activities, products and services on biodiversity	Omitted
	304-3 Habitats protected or restored	Omitted
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omitted
GRI305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Response to Climate Change Table of Key Environmental Indicators
	305-2 Energy indirect (Scope 2) GHG emissions	Response to Climate Change Table of Key Environmental Indicators
	305-3 Other indirect (Scope 3) GHG emissions	Omitted
	305-4 GHG emissions intensity	Table of Key Environmental Indicators
	305-5 Reduction of GHG emissions	Clean Production
	305-6 Ozone-depleting substances	Omitted
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	Table of Key Environmental Indicators
GRI306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Management of Three Wastes
	306-2 Management of significant waste-related impacts	Management of Three Wastes
	306-3 Waste generated	Table of Key Environmental Indicators
	306-4 Waste diverted from disposal	Management of Three Wastes
	306-5 Waste directed to disposal	Table of Key Environmental Indicators

GRI Standards	Disclosure items	Location
GRI308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Omitted
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain
GRI401: Employment 2016	401-2 Benefits provided to full-time employees and are not provided to temporary or part-time employees	Employee Benefits
	401-3 Parental leave	Omitted
GRI402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omitted
	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational health and safety Table of Key Social Indicators
	403-6 Promotion of workers' health	Occupational Health and Safety
	403-7 Prevention and mitigation are directly related to business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work injury	Occupational Health and Safety
GRI403: Occupational Health and Safety 2018	403-10 Work-related health issues	Occupational Health and Safety

GRI Standards	Disclosure items	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Benefits Table of Key Social Indicators
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Employee Benefits
	404-3 Percentage of employees receiving regular performance and career development reviews	Omitted
GRI405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Employee Management
	405-2 Ratio of basic salary and remuneration of women to men	Omitted
GRI406: Anti-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Management
GRI407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Omitted
GRI408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Employee Management
GRI409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Employee Management
GRI410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Omitted
GRI411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Omitted
GRI413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Omitted
	413-2 Operations with significant actual and potential negative impacts on local communities	Charitable Donations Community Service

GRI Standards	Disclosure items	Location
GRI414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social assessment	Omitted
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain
GRI415: Public Policy 2016	415-1 Political assistance	Charitable Donations Community Service
GRI416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Quality Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Management
GRI417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Customer Service
	417-2 Incidents of non-compliance concerning product and service information and labelling	Omitted
	417-3 Incidents of non-compliance concerning marketing communications	Omitted
GRI418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Omitted

Appendix III

Benchmarking Index Table of the Guidelines No. 2 for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on ChiNext issued by the Shenzhen Stock Exchange

Terms	Disclosure	Chapter
9.1 Executive summary		Promoting Sustainable Development
9.2 Operating principles		Compliance Operation Win-win Cooperation
9.3 Strategic social responsibility planning and working mechanism		Promoting Sustainable Development
9.4: (1)	Construction of social responsibility system	Reporting Framework Reporting Principles
9.4: (2)	Shortcomings and problems in fulfilling social responsibilities	Promoting Sustainable Development Corporate Governance Clean Production Quality Management Environmental Management Responsible Supply Chain Employee Management Occupational Health and Safety
9.4: (3)	Improvement measures and scheduling	
9.5 Rewarding shareholders		Compliance Operation
9.6 Financial soundness		Compliance Operation Table of Key Indicators of Corporate Governance and Economic Performance
9.7 Protection of employee interests		Employee Management Employee Benefits

Terms	Disclosure	Chapter
9.8: (1)	Compliance with environmental protection laws and regulations and industry standards	Clean Production Environmental Management
9.8: (2)	Environmental protection plan	Response to Climate Change Clean Production
9.8: (3)	Use of natural resources	Management of Water Resources
9.8: (4)	Pollutant disposal	Clean Production
9.8: (5)	Pollution prevention and control facilities	Management of Three Wastes
9.8: (6)	Payment of taxes related to environmental protection	
9.8: (7)	Supply chain environmental security	Responsible Supply Chain
9.8: (8)	Other environmental protection responsibilities	Response to Climate Change Clean Production
9.9: (1)	Environmental protection policy, objectives and results	Response to Climate Change Environmental Management Table of Key Environmental Indicators
9.9: (2)	Total annual resource consumption	Table of Key Environmental Indicators
9.9: (3)	Environmental investment and environmental technology development	Clean Production Environmental Management
9.9: (4)	Management of pollutant discharges	Management of Three Wastes
9.9: (5)	Construction and operation of environmental protection facilities	Management of Three Wastes
9.9: (6)	Waste treatment and disposal, and recycling and comprehensive utilisation of waste products	Management of Three Wastes
9.9: (7)	Voluntary agreements with environmental protection departments	Omitted

Terms	Disclosure	Chapter
9.9: (8)	Awards from environmental protection departments	Omitted
9.9: (9)	Other voluntary disclosures	Response to Climate Change Clean Production Table of Key Environmental Indicators
9.10	Implementation of environmental protection policies	Clean Production Environmental Management
9.11	Disclosure of environmental information	Clean Production Environmental Management Table of Key Environmental Indicators
9.12: (1)	Product safety laws and regulations and industry standards	
9.12: (2)	Production environment and production process	Product Innovation Clean Production
9.12: (3)	Product quality and safety assurance mechanism and emergency plan for accidents	Quality Management Responsible Supply Chain
9.12: (4)	Other production and product safety responsibilities	
9.13: (1)	Employee management system and violation handling measures	Employee Management
9.13: (2)	Prevention of occupational hazards and supporting safety measures	Occupational Health and Safety
9.13: (3)	Employee training	Employee Benefits
9.13: (4)	Other responsibilities for the protection of employee interests	Employee Management Occupational Health and Safety Employee Benefits
9.14	Ethics of science	Innovation-driven Development
9.15	Supervision and Monitority	Communication with Stakeholders Materiality Assessment

Appendix IV

Index Table of the Guidelines No. 1 for the Self-regulation of Listed Companies on ChiNext - Business Matters and Annex 1 Disclosure Requirements for Social Responsibility Report of Listed Companies issued by the Shenzhen Stock Exchange

Terms	Disclosure	Chapter
1. Executive summary	A brief description of the Company's purpose and philosophy in fulfilling its social responsibilities	Strategy in Sustainable Governance
	(1) Protection of the interests of shareholders and creditors	Compliance Operation
2.Fulfilment of social responsibilities	(2) Protection of employee interests	Employee Management Employee Benefits Occupational Health and Safety
	(3) Protection of the interests of suppliers, customers and consumers	Compliance Operation Innovation-driven Development Win-win Cooperation
	(4) Environmental protection and sustainable development	Clean Production Environmental Management Response to Climate Change
	(5) Public relations and social welfare undertakings	Community Service

Terms	Disclosure	Chapter
2.Fulfilment of social responsibilities	(6) Consolidating and expanding the achievements in poverty alleviation while revitalising rural areas	Charitable Donations
3. Problems and rectification plans for the Company in fulfilling its social responsibilities	(1) Problems such as failure to meet the requirements and standards of national laws and regulations, major environmental protection and safety accidents, being included in the list of seriously polluting enterprises by environmental protection departments, and being punished by environmental protection, labour and other departments, with an explanation of progress in solving the problems	Environmental Management
	(2) Other major problems in the Company's fulfilment of social responsibilities and the impact on the Company's operation and sustainable development, and specific improvement plans and measures	Chapters of the report
4. Disclosure requirements for companies in heavily polluting industries	Providing explanations for the consistency between the social responsibility reporting period and the annual reporting period, and the subsequent events for solving the significant impact on the fulfillment of social responsibility.	About this Report Materiality Assessment
	The Company should explain its general goals and specific plans for the next year's social responsibility work in its ESG report. Also, the improvement of major issues raised in the previous year and the implementation of previous year's work plan should be mentioned in the report.	Sustainable Development Governance Response to Climate Change

Appendix V Index Table of Proper Terms

The index table of proper terms is arranged by order in which each term appears in the text.

Paraphrasing	Content
SAP	System Applications and Products
LCA	Life Cycle Assessment
DCS	Distributed Control System
IPD	Integrated Product Development
PCT	Patent Cooperation Treaty
FTO	Freedom to Operate
APQP	Advanced Product Quality Planning
IATF	International Automotive Task Force
QCE	Quality Control Engineer Platform
IPQC	In Put Process Quality Control
MES	Manufacturing Execution System
LIMS	Laboratory Information Management System
CRM	Client Relationship Management
SRM	Supplier Relationship Management
CPK	Process Capability index
FTA	Fault Tree Analysis
FMEA	Failure mode and effects analysis

Paraphrasing	Content
ERP	Enterprise Resource Planning
MES	Manufacturing Execution System
OA	Office Automation System
CCCMC	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
OECD	Organization for Economic Co-operation and Development
KYS	Know Your Suppliers Surveys
RCI	Responsible Critical Mineral Initiative
WMS	Warehouse Management System
EHS	Environment, Health and Safety Management System
EMS	Environmental Management System
OHS	Occupational Health and Safety Management Systems
VOCs	Volatile Organic Compounds
MVR	Mechanical Vapor Re-compression
AED	Automated External Defibrillator

Assurance Statement



China Quality Certification Centre (CQC), commissioned by Beijing Easpring Material Technology Co., Ltd. (hereinafter referred to as Easpring), conducted independent third-party verification on the 2023 Environmental, Social and Corporate Governance Report of Beijing Easpring Material Technology Co., Ltd. (hereinafter referred to as the “ESG Report”).

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

This statement was based on the assurance activities conducted on the “ESG Report” prepared by Easpring, and Easpring was responsible for the completeness and authenticity of the information and data in the “Report”.

Scope of Assurance

The data and information in the “ESG Report”.

Basis for Assurance

AA1000 V3, Type 2, Moderate Assurance

Assurance Methods

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

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

Assurance Conclusions

The “ESG Report” reflects the ESG performance achieved by Easpring in 2023, which basically meets the requirements of AA1000 V3 as follows:

1. **Inclusivity:** Easpring has identified internal and external stakeholders of the company, including government and regulatory agencies, customers, shareholders and investors, suppliers, directors and executives, employees, communities, media, and non-governmental organizations, and considers the expectations and needs of stakeholders in the report preparation process.
2. **Materiality:** Based on the principle of dual substantiality, Easpring identified and presented ESG issues, evaluated and ranked them, and integrated the management of various issues into the company's daily operations. The overall content of the report meets the requirements of the substantive principle.

3. **Responsiveness:** Easpring has established governance structure, management system and processes, and a stakeholder communication mechanism, which can take timely and effective actions to respond to the concerns and demands of all stakeholders.
4. **Impact:** Easpring has disclosed the main impacts on itself and stakeholders in terms of environment, society, and governance through quantitative, qualitative, and a combination of the two.

Limitations

- This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the “Report”, and there was no comprehensive traceability of the original data of Easpring.
- Only internal stakeholders (including outsourced personnel) of Easpring were covered in interviews and document review, not involving external stakeholders.
- The data and information audited/verified by a third party in the “Report” were not subject to repeated verification during this assurance process.
- Some data and information in the “Report” lacked sources that can be compared and verified.

The Assurance statement does not include:

- Activities outside the scope of information disclosure were not included in this assurance.
- The statement regarding the position, viewpoints, beliefs, goals, future development directions, and commitments of Easpring were not included in this assurance.

Statement on Independence and Verification Capability

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

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



Signature of CQC authorized person:

President of CQC
March 20, 2024

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



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