

Sustainable Development Report

Sichuan Yahua Industrial
Group Co., Ltd.

2024

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ABOUT THIS REPORT

Yahua Group has prepared its sustainability report for the fifth consecutive year. In 2024, the report aims to systematically disclose the company's strategic practices and performance results in environmental, social, and governance (ESG).

Timeline

The report primarily covers activities from January 1st to December 31st, 2024. Any exceptional content extending beyond this timeframe will be indicated.

Boundaries

This report covers Yahua Group and all consolidated subsidiaries, with the reporting scope determined by *Enterprise Accounting Standard No. 33*. Including newly established and smaller subsidiaries is based on a materiality assessment.

Business segment	Abbreviation	Combined the full name of the company
The Lithium	Lithium Technology	Sichuan Yahua Lithium Technology Co., Ltd.
	Ya'an Lithium	Yahua Lithium (Ya'an) Co., Ltd.
	Guoli Corporation	Sichuan State Lithium Materials Co., Ltd.
	Blossom Lithium	Blossom Lithium Industrial (Sichuan) Limited
The Mining	KMC	Kamativi Mining Company (Private) Limited
	Rarlon Corp	Rarlon Mining Engineering Private Limited
The Civil Explosive (Civil Explosive + Blasting Services)	MianYang Company	Yahua Group MianYang Industrial Co., Ltd.
	Ya'an Company	Sichuan Yahua Civil Explosives Group Co., Ltd.
	JinHeng Company	Shanxi JinHeng Chemical Group Co., Ltd.
	Kaida Company	Sichuan Kaida Chemical Co., Ltd.
	Keda Company	Yahua Group Inner Mongolia Keda Chemical Co., Ltd.
	TongDa Company	Sichuan TongDa Chemical Co., Ltd.
	ZhongDing Company	Sichuan ZhongDing Blasting Engineering Co., Ltd.
	JiYang Company	Changchun JiYang Industrial Group Co., Ltd.
	WangCang Company	Yahua Group WangCang Chemical Co., Ltd.
	Santai Company	Yahua Group Santai Chemical Co., Ltd.
Transportation	HengTai Company	Yahua Group Panzhihua HengTai Chemical Co., Ltd.
	Ya'an Transport	Sichuan Yahua Industrial Group Logistics Co., Ltd.
	MianYang Transport	Yahua Group MianYang Logistics Co., Ltd.
	RongGuangTong	Sichuan RongGuangTong Supply Chain Co., Ltd.
	RongLuTong	Sichuan RongLutong Supply Chain Co., Ltd.
	JinHeng Transport	Shanxi JinHeng Explosives Delivery Co., Ltd.
	Keda Transport	Inner Mongolia Keda Logistics Co., Ltd.
	JiYang Transport	Changchun JiYang Logistics Co., Ltd.
	Heng'an Transport	Dazhou Heng'an Logistics Co., Ltd.

Compilation

This Report has been prepared by the requirements of the *Shenzhen Stock Exchange Self-Regulation Guidelines for Listed Companies No. 1 – Standardized Operations of Main-Board Companies and the Shenzhen Stock Exchange Self-Regulation Guidelines for Listed Companies No. 17 – Sustainability Reporting (Trial)*, and with reference to the topic framework of the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

Database

The information and data cited in this Report are drawn from Sichuan Yahua Industrial Group Co., Ltd.'s official documents, statistical statements, and financial reports, as well as environment-, social-, governance-, and sustainability-related data that have been collected, consolidated, and verified by the Company. Unless otherwise specified, all monetary amounts are presented in Renminbi (CNY). During 2024, the Company carried out a comprehensive data-governance initiative, standardizing statistical definitions and methodologies across the Group and revising historical data for 2022 and 2023. The restated figures have been incorporated into the current statistical-reporting system.

Confirmation

The report shall be released after deliberation and approval by the board of directors of the company.

Appellation

"We" "Sichuan Yahua Industrial Group Co., Ltd.," "Yahua Group," "Yahua," Group," "Company," and similar expressions refer to Sichuan Yahua Industrial Group Company Limited by Shares.

Acquisition

You can get the Chinese and English versions of this report through the company's official website, email, or phone contact with Yahua Group.

Official website: <https://www.scyahua.com>
Company email: yhjt@scyahua.com
For more information, call 028-85325316

CHAIRWOMAN'S STATEMENT

In the context of profound adjustments in the global economy and the accelerated reshaping of industrial structures, Yahua Group remains firmly committed to its core philosophy of "safety, green development, innovation, and sustainability." Guided by the Yahua Way, the Group upholds the principles of "focusing on core businesses, maintaining professionalism and rigor, acting with integrity and humility, and pursuing pragmatism and truth." Anchored by three strategic pillars — the "dual-core business strategy," the "digitalization strategy," and the "high-quality development strategy" — Yahua advances its high-quality and sustainable development agenda with steady and pragmatic progress.

Since initiating our sustainability journey with the inaugural 2019 Sustainability Report, we have systematically expanded stakeholder engagement across material dimensions (investors, regulators, workforce, clients, suppliers, and communities). This evolution has crystallized into an enterprise-wide responsibility management system that focuses on promoting management improvement, promoting business practice, and deepening strategic integration.

In 2024, the Group officially released and implemented 16 dedicated sustainability policies covering all dimensions of environmental, social, and governance (ESG) performance. These policies clearly defined overarching requirements, key objectives, and priority tasks. The Group further articulated its guiding principles and fundamental approach for achieving carbon peaking, and developed a comprehensive roadmap and timeline for implementation. By deeply integrating its carbon peaking and carbon neutrality goals into the Group's three core development strategies, Yahua has effectively achieved the organic integration of sustainability and business operations, marking a new chapter in green development.

Over the past year, Yahua Group has achieved significant progress in ESG management and practices. In 2024, Ya'an Lithium Industry successfully obtained ESG audit certification from the Responsible Minerals Initiative (RMI), leading the industry with an outstanding score of 96 out of 100. The company also successfully passed the Responsible Minerals Assurance Process (RMAP) certification, based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. In addition, the Group released its Lithium Industry Net Zero White Paper, outlining actionable carbon reduction strategies and timelines. Yahua also completed several key verifications, including product carbon footprint assessments, product life cycle assessments, and greenhouse gas (GHG) verifications.

In addition, the Group has demonstrated outstanding performance in ESG ratings. In April 2024, Yahua Group published its 2023 Sustainability Report and, in May, launched a dedicated Sustainability section on its official website, further enhancing the transparency and timeliness of its ESG disclosures. In third-party authoritative evaluations, Yahua Group was awarded an AA rating by the Sino-Securities Index Information Service (Shanghai) Co., Ltd. ESG assessment, ranking 63rd among 5,933 listed companies and 2nd among 493 chemical companies. Meanwhile, in the Wind ESG rating, the Group's ranking significantly improved, climbing from 119th among 478 companies to 24th among 512 companies. In the S&P Global ESG evaluation, Yahua also achieved a notable score increase, with its performance in environmental and social dimensions far exceeding the industry average.

Yahua Group is actively advancing the implementation of the "One Law and Three Guidelines" initiative, upholding the "Four Spirits"—the spirit of science, craftsmanship, professionalism, and innovation — to continuously enhance the company's resilience, strength, competitiveness, and execution capabilities. At the same time, the Group is vigorously promoting intelligent manufacturing and digital transformation, expanding the deployment of energy monitoring and system optimization, carrying out technical upgrades to improve energy efficiency and reduce consumption of equipment, and exploring the application of clean energy technologies. Yahua is also actively investing in carbon capture and utilization technologies to ensure continuous emission reduction and operational efficiency improvements. In addition, the Group actively engages in community welfare programs, helping to improve the quality of life for residents and truly fulfilling its corporate social responsibility.

Looking ahead, Yahua Group will continue to uphold a strong sense of mission and responsibility while advancing steadily and pragmatically. We are committed to collaborating closely with our partners to co-create a greener, more sustainable, and brighter future.



Sichuan Yahua Industrial Group Co., Ltd.
Chairwoman:

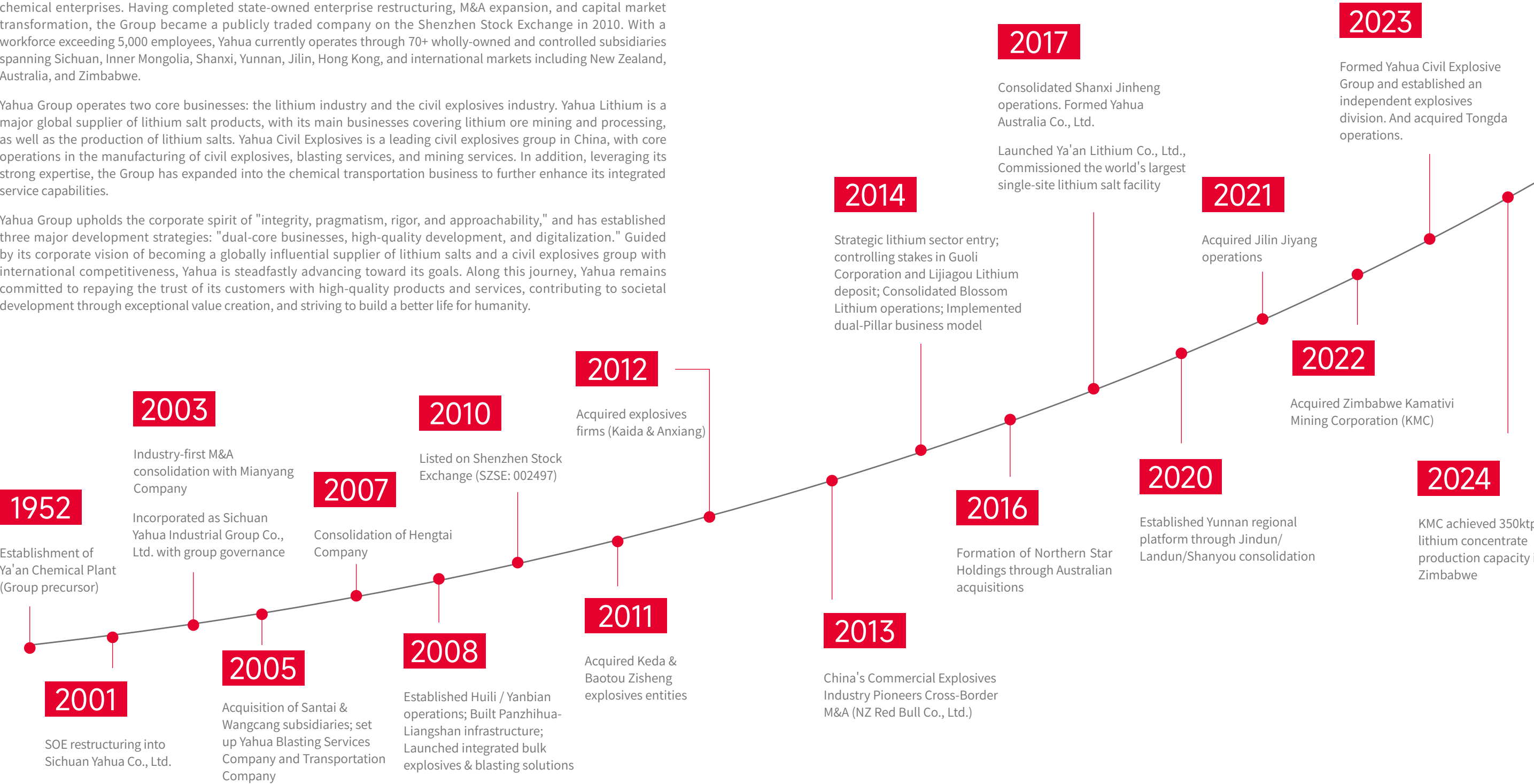
CORPORATE PROFILE

About YaHua

Sichuan Yahua Industrial Group Co., Ltd. (SZSE: 002497), established in 1952, stands as one of China's pioneering chemical enterprises. Having completed state-owned enterprise restructuring, M&A expansion, and capital market transformation, the Group became a publicly traded company on the Shenzhen Stock Exchange in 2010. With a workforce exceeding 5,000 employees, Yahua currently operates through 70+ wholly-owned and controlled subsidiaries spanning Sichuan, Inner Mongolia, Shanxi, Yunnan, Jilin, Hong Kong, and international markets including New Zealand, Australia, and Zimbabwe.

Yahua Group operates two core businesses: the lithium industry and the civil explosives industry. Yahua Lithium is a major global supplier of lithium salt products, with its main businesses covering lithium ore mining and processing, as well as the production of lithium salts. Yahua Civil Explosives is a leading civil explosives group in China, with core operations in the manufacturing of civil explosives, blasting services, and mining services. In addition, leveraging its strong expertise, the Group has expanded into the chemical transportation business to further enhance its integrated service capabilities.

Yahua Group upholds the corporate spirit of "integrity, pragmatism, rigor, and approachability," and has established three major development strategies: "dual-core businesses, high-quality development, and digitalization." Guided by its corporate vision of becoming a globally influential supplier of lithium salts and a civil explosives group with international competitiveness, Yahua is steadfastly advancing toward its goals. Along this journey, Yahua remains committed to repaying the trust of its customers with high-quality products and services, contributing to societal development through exceptional value creation, and striving to build a better life for humanity.



Yahua Lithium Industry

Yahua Group laid out the lithium industry in 2013. Yahua Lithium Industry's business covers the key links of the lithium industry chain, including exploration, mining, processing, and sales of lithium mineral resources as well as production and sales of lithium salt products. Yahua Lithium Industry serves as a key supplier to top-tier global players across the new energy vehicle, battery, and cathode material sectors, playing a vital role in the global clean energy value chain. The company's lithium salt production capacity has reached 100,000 tons. The Ya'an Lithium Phase III project is expected to be completed in 2025, at which point the lithium salt production capacity will exceed 130,000 tons.

Yahua Lithium Industry is committed to achieving win-win cooperation throughout the entire industry chain. It has established long-term cooperative relationships with leading domestic cathode material enterprises such as Zhenhua E-chem Inc., B&M Science and Technology, XTC New Energy Materials, BTR New Energy Materials, Easpring, Minmetals New Energy, Ronbay Technology, as well as well-known battery enterprises such as CATL, PANASONIC, and LGES. It directly supplies Tesla and BYD, CATL, and through the industrial chain, it reaches leading vehicle manufacturers such as BMW, Volkswagen, NIO, and GAC.



Yahua Civil Explosives

Yahua Civil Explosives is a leading integrated Civil Explosives service provider in China with exceptional comprehensive competitiveness. The Group has over 20 production sites, located in provinces and regions in China such as Sichuan, Inner Mongolia, Yunnan, Shanxi, and Jilin, which are rich in mineral and hydropower resources and have a high demand for civil explosives, as well as in Australia, New Zealand, and Zimbabwe. Specializing in manufacturing Civil Explosives, detonators, and related blasting equipment, which maintains comprehensive transportation and storage systems of hazardous materials. Its diversified product portfolio and fully integrated service solutions are extensively utilized in mining, hydropower, transportation infrastructure development, and urban renewal. With sales and service networks spanning all regions of China and multiple countries across Asia, Africa, Europe, and Oceania, Yahua Civil Explosives has consistently secured the national sales leadership in electronic detonators for consecutive years, driven by their superior performance and service quality.

Industrial Explosives Production: 260,000+ tonnes
Industrial Detonators: 90 million units
Detonating Cords & Plastic Explosive Tubes:120 million meters



Yahua Mining Services

Yahua Mining services are one of the core businesses of Yahua's civil explosives group. The Group is recognised as one of China's leading mining service providers, known for its advanced blasting technology, strong overburden and ore stripping capacity, and comprehensive service offerings. It offers a full suite of end-to-end mining solutions, including the supply of civil explosive products and bulk explosives, mine infrastructure construction, blasting design, drilling, blasting operations, ore loading, mineral processing, transportation, resource off-take, exploration, and financing services. It has provided services to over 100 domestic and overseas mines across industries such as building materials, metals, non-metals, non-ferrous metals, and energy, with a total annual ore extraction volume exceeding 500 million tonnes.

Ore Mining Capacity: 500+ million tonnes



Yahua Transportation

Yahua Transportation operates as a hazardous materials logistics specialist delivering full-spectrum road transportation solutions. With 8 regional subsidiaries and a dedicated fleet of 500+ specialized vehicles, The company's business scope covers the whole country, and it is capable of transporting dangerous goods by road from Class 1 to Class 9, transporting hazardous waste, medical waste, radioactive goods, and international dangerous goods by road. Qualifications for international road freight transportation, etc. Certified for chemical road transport, Yahua Transportation is among China's most comprehensively qualified logistics providers in this field. Leveraging Yahua Group's robust capabilities, Yahua Logistics has rapidly expanded its operations. While ensuring the transportation of the Group's Civil Explosives, the company provides professional services including hazardous materials, military supplies, radioactive substances, hazardous waste, general cargo, mining logistics, warehousing, equipment maintenance, import/export trade, and international freight forwarding.

Annual transportation volume: 3+ million tonnes



100,000 tonnes
Lithium production

500+ million tonnes
Ore Mining Capacity

260,000+ tonnes
Industrial Explosives Production

3+ million tonnes
transportation volume

In the future, Yahua Group will keep up with the development requirements of national new quality productivity, adhere to the joint development of the lithium industry and Civil Explosive industry, and adhere to the three development strategies of the dual main business, high quality, and information technology, adhere to the scientific spirit, artisan spirit, professional spirit, and innovation spirit, and build itself into a lithium salt supplier with global influence and an Civil Explosive industry group with international competitiveness. To achieve the sustainable development of the enterprise, and to make continuous efforts.

FY 2024 Highlights

 Economic development	7.7 Billion Revenue 711.0 Million Payments to Employees	201.3 Million Payments to Investors 4,886.5 million Payments to Suppliers	145.7 Million Dividends (including share repurchases) 345.0 Million Payments (Refunds) to Government	55.5 Million Interest Payments 6,143.9 million Direct Economic Contribution	14.3% YoY Growth in Cash Dividend per Share 53.3% YoY Decrease in Interest-Bearing Debt
 Environmental responsibility	90.1% (+2.6 % YoY) Water Recycling Rate 96.4% (+6.0 % YoY) Water Recycling Rate – Lithium	64.5% Share of Clean Electricity 66.3% Share of Clean Electricity – Lithium	5.2% (vs. 2023) GHG Emissions Intensity Reduction – the Lithium 14.2% (vs. 2023) GHG Emissions Intensity Reduction – the Civil Explosives	17.4 million Total Environmental Expenditure Zero Discharge Industrial Effluent Discharged	73.8 Million R&D Investment 24.3% Share of Clean-Technology Patents
 Social responsibility	59.5 Million Health & Safety Expenditure 5.0 Million Training Expenditure	13.6% (YoY) Growth in Health & Safety Expenditure 51.0 hours Average Training Hours per Employee	2.1 Million Community / Philanthropic Investment 99.1% Employee Satisfaction Rate	3.9% (YoY) Growth in Headcount 94.0% ESG Risk Assessment Coverage of Tier-1 Suppliers	21.5% (+ 2.7 % YoY) Women in Management 100.0% Domestic Supplier Integrity-Agreement Signing Rate

FY 2024 Milestone

2nd Prize, National Science & Technology Progress Award

CPC Central Committee, State Council

National Green Factory

Ministry of Industry and Information Technology (MIIT)

Key Enterprise in Sichuan's Construction Industry

Sichuan Provincial Department of Housing & Urban-Rural Development

Advanced Construction Enterprise for Overseas Expansion, Sichuan

Sichuan Provincial Department of Housing & Urban-Rural Development

National Responsible Mining & Social Impact Award

Zimbabwe ESG Network (ESGNZ)

Zimbabwe Investor of the Year

Zimbabwe National Chamber of Commerce (ZNCC)

Outstanding Innovation Achievement of the "Five-Small" Employee Initiative, Sichuan Province

Sichuan Federation of Trade Unions

Model Unit, "Thousand-Enterprise Action" for Industrial-Worker Reform, Sichuan

Sichuan Federation of Trade Unions

1st Prize for R&D and Application of Intelligent Initiation & Assembly Technology for Electronic Detonators

China Industrial Explosives Industry Association

Frontier Materials Breakthrough Award (Sustainable Development Conference)

YiDong • Value Online

Advanced Model, 30th Anniversary of Sichuan Glorious Cause Philanthropic Programme

Sichuan United Front Work Department

Outstanding Contribution Unit, Sichuan Logistics

Sichuan Modern Logistics Association

Exemplary ESG Governance Award (Western China Finance Forum)

Sichuan News Network • Western China Net • Shouping News

Outstanding Board Practice Case, Listed Companies (2024)

China Association for Public Companies (CAPCO)

Top 500 National Finalist, "Innovative Sichuan • Entrepreneurial Tianfu" Competition

Ministry of Industry and Information Technology (MIIT)

Top 100 Logistics Enterprises in Western China (2023-2024)

Western China Logistics Enterprises Selection Committee

Sichuan Province Environmental Credit "Integrity Enterprise"

Sichuan Provincial Department of Ecology & Environment

Sichuan "Specialized, Refined, Distinctive & Innovative" SME

Sichuan Provincial Department of Economy & IT

Red Cross Medal of Dedication (China)

Red Cross Society of China – National Headquarters

"Specialized, Refined, Distinctive & Innovative" SME, Inner Mongolia (2024)

Inner Mongolia Department of Industry & IT

01

SUSTAINABILITY GOVERNANCE

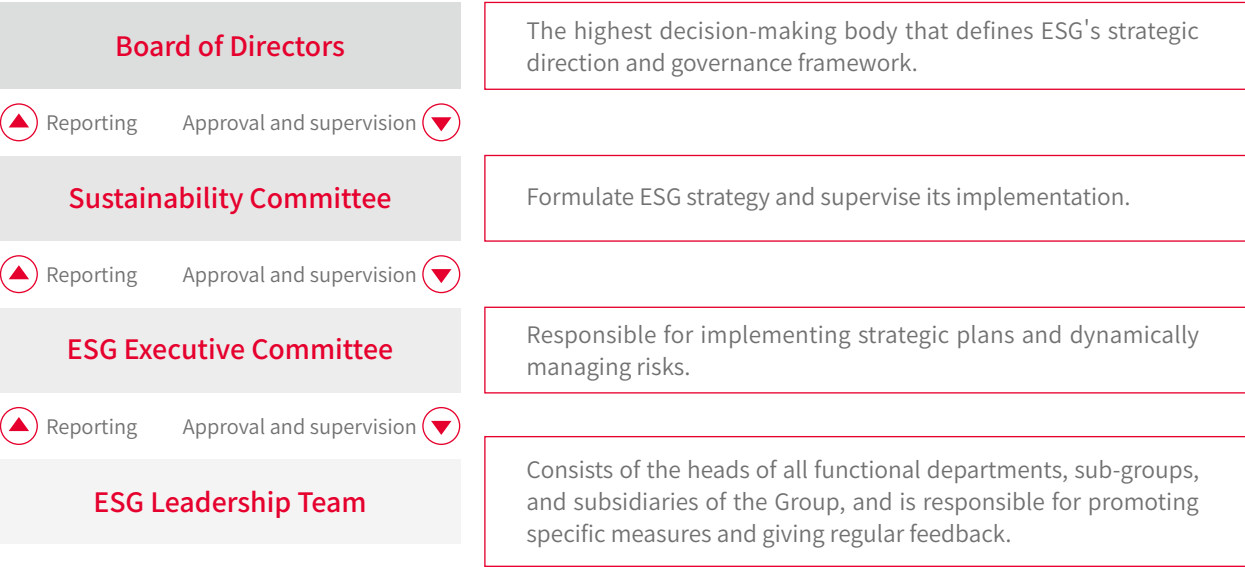
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Adhering to the philosophy of "safe, green, innovative and sustainable", Yahua Group has systematically improved its ESG management level by building a four-tier governance structure, improving the institutional system, and focusing on the SDGs action plan.

Sustainability Management

Governance Structure

The Group has established a four-level governance system of "Board of Directors → Sustainability Committee → ESG Executive Committee → ESG Leadership Team". This structure ensures effective alignment between strategic decision-making and execution, laying a solid foundation for sound management and long-term value creation.



Institutional System

In 2024, new Measures for the Management of ESG Daily Operation of Yahua Group and special systems for lithium, civil explosives, and mining will be added to cover the whole business of the Group and form a "1+N" management framework. The 16 ESG policies cover the full dimensions of environment, society, and governance, and all policies are publicly released through the Sustainable Development column of the Group's official website.



Alignment with the SDGs¹

Yahua focuses on the United Nations' sustainable development target (SDGs) nine core goals, making a quantitative action plan. Water and recycling projects, implementing industrial wastewater zero emissions, establishing and improving the energy management system, increasing investment in research and development of green technology, and building a diversified communication platform, effectively promote continuous improvement in all areas.

SDGs	Specific actions
	- Establish a diverse and inclusive workplace, eliminating all forms of discrimination. - Increase the proportion of women in management roles to 21.5%. - Conduct anti-discrimination training covering all employees, achieving 99.1% employee satisfaction.
	- Achieve zero industrial wastewater discharge. - Increase the water recycling rate to 90.1%.
	- Develop a comprehensive energy management system, implementing equipment efficiency upgrades. - Conduct research into energy-saving processes to reduce greenhouse gas emissions.
	- Work safety investments exceed 59.5 million yuan, and the major accident rate is zero. - Employees' average annual training time is 51 hours, and the passing rate of professional skills certification is 90%.
	- R&D investment exceeded 73.8 million yuan, and 22 green process patents were obtained. - Jointly build laboratories with universities to promote breakthroughs in material technology.
	- The standard review of suppliers for sustainable development promotes responsible production and continuous improvement. 100% safe stacking of tailings and waste rock, and 100% comprehensive utilization of lithium by-products; - The Non-hazardous Waste Generated Intensity was reduced by 34.8%.
	- Achieve a 15% reduction in the GHG Emission intensity of the Lithium by 2030 compared to the 2023 baseline. - Optimize energy mix, enhance waste heat recovery, and upgrade equipment for improved energy efficiency.
	- Integrate risks from natural disasters and raw material supply fluctuations into the comprehensive risk management plan. - Protect biodiversity and ecosystems in raw material extraction areas.
	- Establish diverse communication platforms for in-depth stakeholder engagement. - Collaborate with research institutions and industry alliances to advance technological innovation, elevate standards, and promote sustainable industry development.

¹ SDGs (Sustainable Development Goals) are a global action framework adopted by the United Nations in 2015, encompassing 17 integrated objectives aimed at achieving sustainable development by 2030. These goals address critical global challenges such as poverty eradication, environmental protection, and social equity. For official definitions and detailed targets, please refer to the UN's official website: <https://sdgs.un.org/goals>.

Stakeholder Engagement

Yahua Group builds multiple communication mechanisms, covering each stakeholder, through the general meeting of shareholders², customers visit the channel such as responding to concerns in a timely manner. Focus on compliance risk control, occupational safety, chemical management, the core issues, such as low carbon operation, synchronization to strengthen supply chain coordination management, and sharing best practices.

Materiality Analysis

Through building an issues repository, conducting stakeholder surveys, thematic workshops, and field research – combined with quantitative scoring of environmental, social, and governance impacts – the Group has identified high-priority issues, such as climate change response, chemical safety, resource efficiency & energy conservation/emissions reduction, Responsible supply chain management, and product quality and innovation. We regularly disclose progress updates and performance data, having established a scientifically validated materiality matrix.

The Decision process of major issues



² Stakeholders: Shareholders & Investors, Senior Management, Employees, Customers, Government & Regulatory Authorities, Suppliers, Business Partners, Communities & the General Public



02

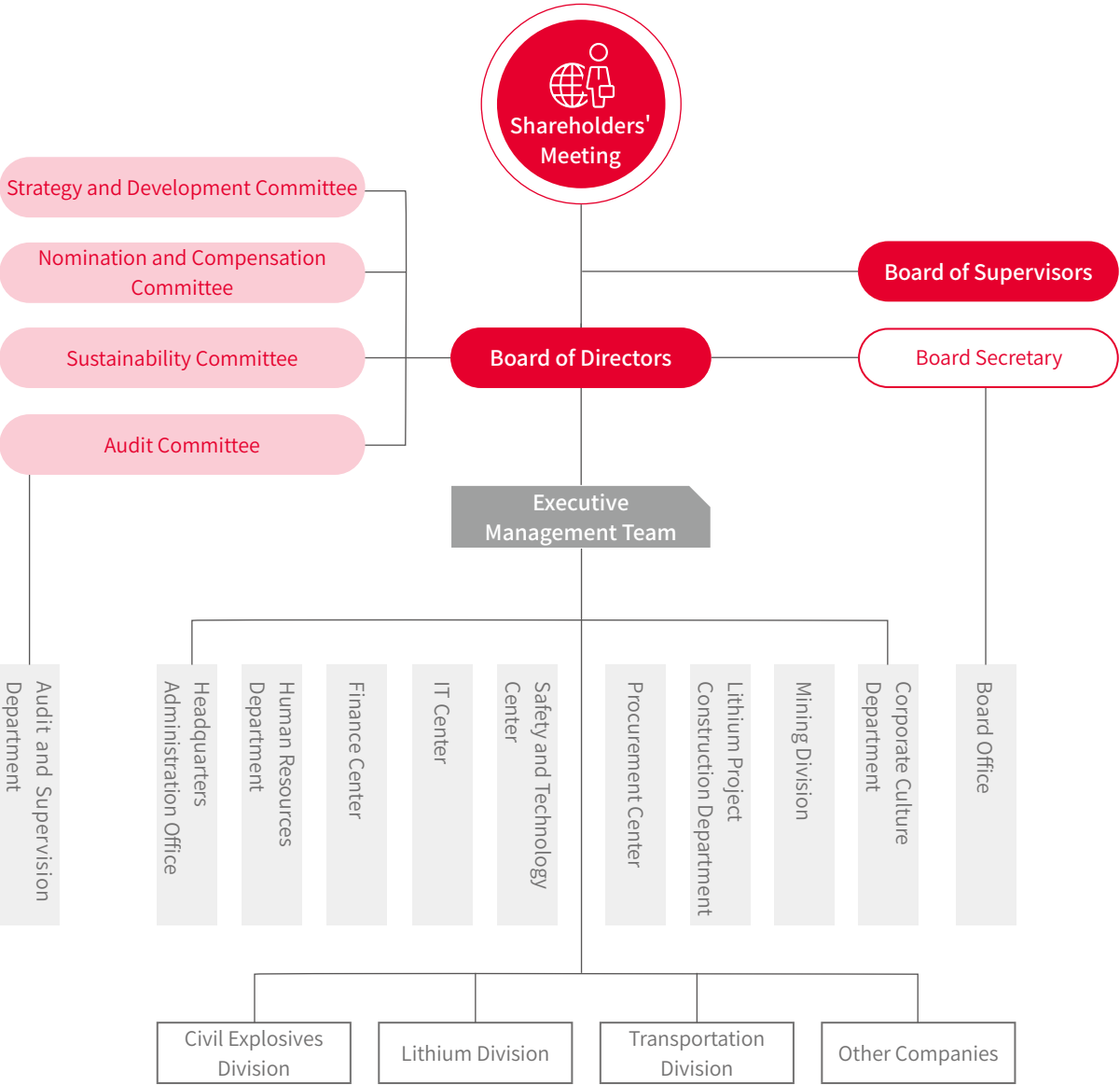
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Corporate Governance

Yahua Group rigorously complies with China's statutory governance requirements, including *PRC Company Law*, *Securities Law of China*, and *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies (SZSE Chapter 1)*. Under the guidance of the *Articles of Association*, the Company has established an internal control system covering all business links, and formed a decision-making and execution structure dominated by the general meeting of shareholders, the Board of directors, the Board of Supervisors, and the management team, to realize clear powers and responsibilities, efficient checks and balances and scientific decision-making.

Diagram of corporate governance structure



Board Responsibilities

As the decision-making body of the company, the board of Directors relies on the four special committees of the Strategy and Development Committee, Nomination and Compensation Committee, Sustainability Committee, and Audit Committee to refine the governance responsibilities, regularly evaluate the internal control, and fully adopt the opinions of all parties. In 2024, the Board of Directors will hold 9 meetings and review 48 proposals. The board of Directors of the company was awarded the honorary title of "2024 Excellent Practice Case of the Board of Directors of China Association of Listed Companies".



9Board meetings held48Proposals reviewed by the Board

Board Committees	Responsibilities	Meetings
Strategy and Development Committee	Analyze the company's long-term development strategy and major investment decisions; provide recommendations.	1
Audit Committee	Review financial information and its disclosure; oversee and evaluate internal and external audits as well as internal controls.	6
Nomination and Compensation Committee	Develop selection criteria and procedures for directors and senior executives; review qualifications, compensation plans, and performance appraisals.	5
Sustainability Committee	Develop corporate sustainability goals and strategic plans.	2

The Company has established a remuneration framework for directors and senior executives that combines fixed salary with performance-based incentives, under the *Yahua Group Annual Business Performance Incentive Policy* and related regulations. Performance evaluations incorporate both operational performance and ESG performance metrics. To address violations such as embezzlement or other breaches of law and regulations, the Company has implemented clawback, compensation claims, and penalty payment mechanisms, and initiates legal action where applicable. These measures are designed to incentivize long-term value creation, ensure compliance, and safeguard shareholder interests.

In order to enhance the effectiveness of decision-making and oversight, the Board of Directors conducts regular evaluations of the internal-control system, the operation of each special committee, and its own performance.

The Company's executive management team is responsible for executing Board resolutions, formulating annual operational plans and investment proposals, drafting internal rules and policies, and exercising other powers as stipulated by the *Articles of Association* or authorized by the Board.

Board Diversity

Yahua adheres to the principle of selecting candidates of both integrity and capability, and, in the board-nomination process, holistically considers each nominee's gender, age, race, ethnicity, country of origin, nationality, cultural, and professional backgrounds, thereby strengthening the Board's inclusiveness and overall decision-making effectiveness. As of the reporting period, the Board consists of 9 directors, including 3 independent directors (33.33%) and 2 female directors (22.22%). Directors bring expertise spanning production safety, R&D and manufacturing, strategic investment, legal affairs, and finance, providing multi-dimensional perspectives to the company's governance.

Board Independence

Yahua Group's Nomination and Compensation Committee strictly complies with the *Shenzhen Stock Exchange Listing Rules* and the *Working Rules of the Nomination and Compensation Committee*, overseeing the selection and qualification reviews of directors and conducting annual independence assessments for independent directors, ensuring their objectivity and independence in supervisory and decision-making duties. Each specialized committee includes independent directors, with independent directors constituting more than half of the Audit Committee.

Board of Directors					
NAMES	Gender	Position/Duties	Industry experience		
			Professional competence ³	Risk management ⁴	Financial management ⁵
Rong Zheng	female	Board Chair	✓	✓	✓
Yan Meng	male	Vice Chair/CEO	✓	✓	-
Yuanqiang Liang	male	ED & EVP	✓	-	-
Kexiang Mou	male	ED & EVP	✓	-	-
Qing Yang	female	ED & CFO	✓	-	✓
Xiongying Zhai	male	ED	✓	✓	-
Jiaju Zheng	male	INED	✓	-	-
Huawei Luo	male	INED	-	-	✓
Yousu Zhou	male	INED	-	✓	-

³ Professional competence refers to having professional experience in companies classified under the "Commodity & Diversified Chemicals" sector according to the Global Industry Classification Standard (GICS®).

⁴ Risk Management Experience refers to possessing expertise in risk management or having previously served in risk management-related roles.

⁵ Financial Management Experience refers to possessing expertise in finance or accounting or having previously served in finance- or audit-related roles.

Investor Rights & Protections

The Group strictly abides by listed company laws and regulations and ensures the right to know and fair participation of all shareholders by regularly releasing financial .

Information disclosure

In 2024, the company issued 119 announcements and filed 164 documents through the Shenzhen Stock Exchange's information disclosure system, steadily improving the quality of information disclosure and not receiving any regulatory condemnation or criticism.

Investor communication

In 2024, the company will communicate with more than 160 institutional investors online and offline, publish 12 research records, and hold 2 performance presentations through online means; The company has answered 165 queries from investors on the interactive platform of the Shenzhen Stock Exchange, with a response rate of 100%, which is an outstanding performance among domestic listed companies.

Shareholder Returns

In 2024, the company paid 39.67 million yuan in cash dividends to investors, accounting for 98.6 percent of the net profit attributable to the parent in 2023. It has paid out 1.19 billion yuan in dividends since its listing. In order to safeguard the interests of all shareholders, the company repurchased 9,249,800 shares in 2024, accounting for 0.8% of the total share capital as at March 31, 2024, with a total repurchase of more than \$100 million.

reports and annual reports and holding shareholders' meetings



Research of domestic and foreign investment institutions

Key Performance

2024,

9

Board members

3

(33.3%)

Independent directors

7

(77.8%)

For males

2

(22.2%)

Females

Compliance Management

Yahua Group remains committed to operating in full compliance with laws and regulations, and continues to enhance its compliance-management system. In 2024, Directors, Supervisors and Executives (DSEs) participated in 10 corporate-governance training sessions, while all employees took part in 9 dedicated legal and regulatory compliance training sessions. During the year, the Group also issued 42 legal and regulatory compliance policies aimed at strengthening risk prevention and safeguarding operational integrity.



Training on corporate governance



In 2024, the Board Office organized specialized training sessions on topics such as "Interpretation of the Revised Company Law" and "Prevention of Corporate Legal Risks," covering employees at all levels across the Group. In addition, subsidiaries conducted a total of 436 employee attendances in dedicated legal-knowledge training sessions, with an accumulated training duration of 26 hours.



Legal Knowledge Training

Key Performance

10

sessions

DSEs Corporate governance training

9

sessions

Legal & Regulatory Compliance training for all employees

42

items

Legal & Regulatory Policies / Procedures Issued

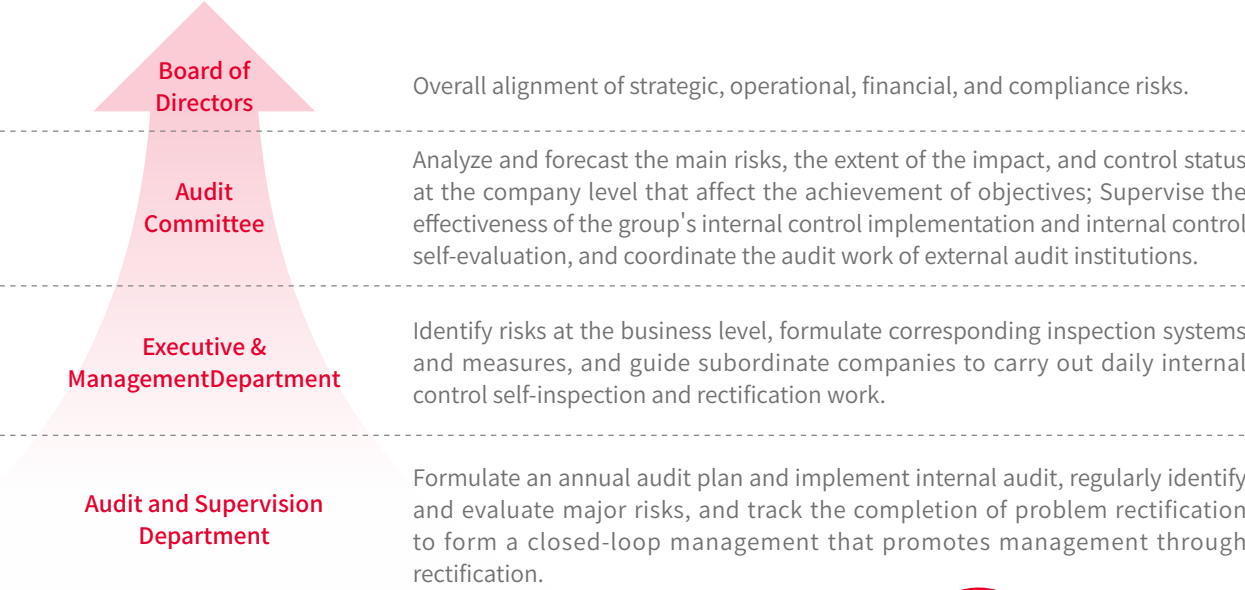
Business Ethics & Integrity

Yahua Group has established a whole-business and whole-process risk management and compliance system. By relevant laws and regulations and the ISO 37001 anti-bribery standard, Yahua Group regards comprehensive risk management and integrity compliance as the cornerstone of sustainable development and strongly supports the group's stable operation.

Risk Control

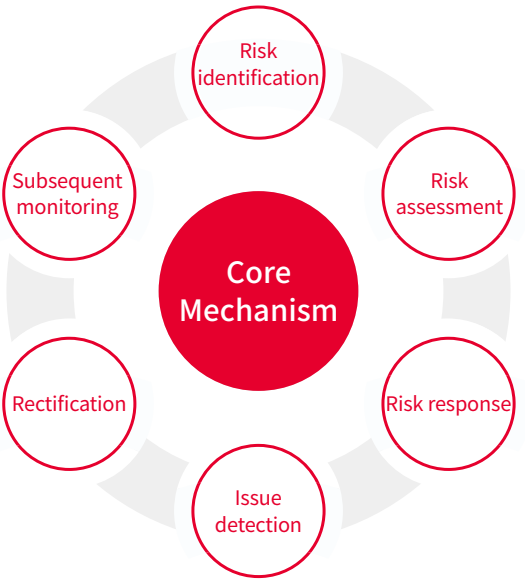
Management structure

The Company strictly complies with regulations applicable to listed companies and safeguards all shareholders' rights to information and equitable participation by regularly releasing financial reports and annual reports and convening shareholders' meetings.

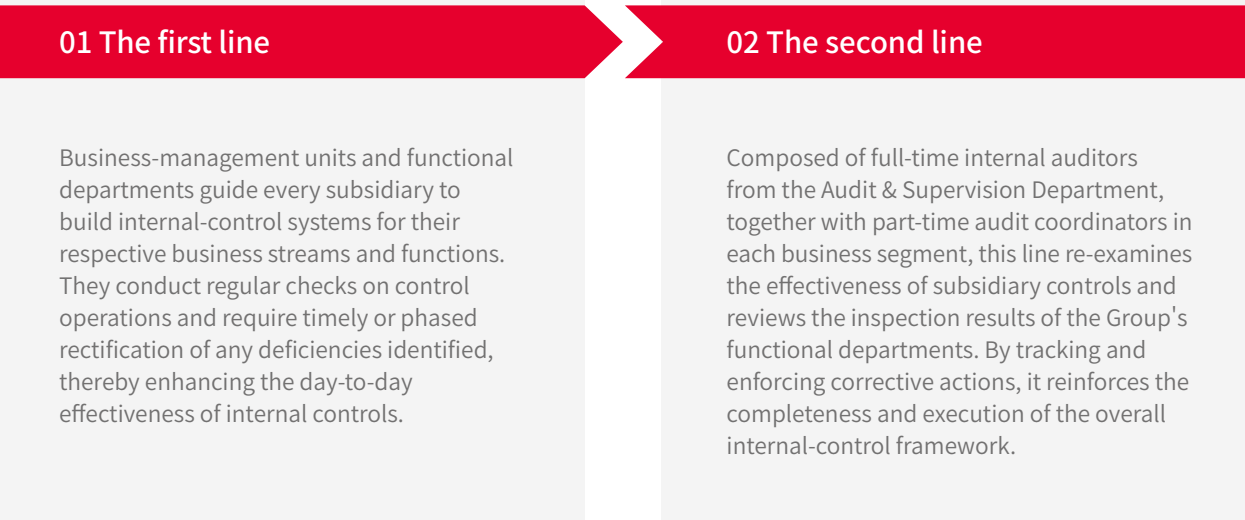


Governance and Control Mechanism

By the Company Law of the People's Republic of China, the Basic Standards for Enterprise Internal Control and the supervisory requirements of the Shenzhen Stock Exchange, Yahua Group has established an enterprise-wide risk-management and internal-control system. The core control cycle follows a closed-loop methodology of "Risk identification → Risk assessment → Risk response → Issue detection → rectification → Subsequent monitoring." The Internal Audit Department reviews and evaluates the effectiveness of each stage of this control cycle. ShineWing Certified Public Accountants LLP (special general partnership) has continued to issue standard unqualified opinions on the Group's internal-control audit reports.



Internal-Control "Two Lines of Defense" at Yahua Group:



Audit and internal control

During the reporting period, the Group continued to enhance its internal-control management system by issuing 486 new internal-control policies and revising 1,080 existing policies, as well as establishing 235 new processes and adjusting 1,023 processes. A total of 17 internal audits were conducted across the Group, identifying 216 issues, all of which have been fully rectified.

Key Performance

486 items

Audit Policies / Procedures Issued

1,080 items

Audit Policies / Procedures Revised

100%

Audit Engagement Coverage

0 cases

Financial Compliance Risk Incidents

0 cases

Fraud and Corruption Incidents

0 cases

Unfair-competition Fines or Settlements

Business ethics

Yahua Group has always adhered to the core value of "compliant operation and clean work", strictly followed domestic and foreign laws and regulations, formulated the *Yahua Group Integrity Discipline* and *Yahua Group Integrity Supervision and Management Measures*, requiring all employees and partners to sign the integrity pledge.

During the reporting period, the group had no significant violations or lawsuits.

Key Performance

100%

Integrity-clause Signing Rate (Employees & Domestic Partners)

0 cases

Business Ethics Violations or Litigation

Reporting & Whistleblowing

Complaint Reporting Channels

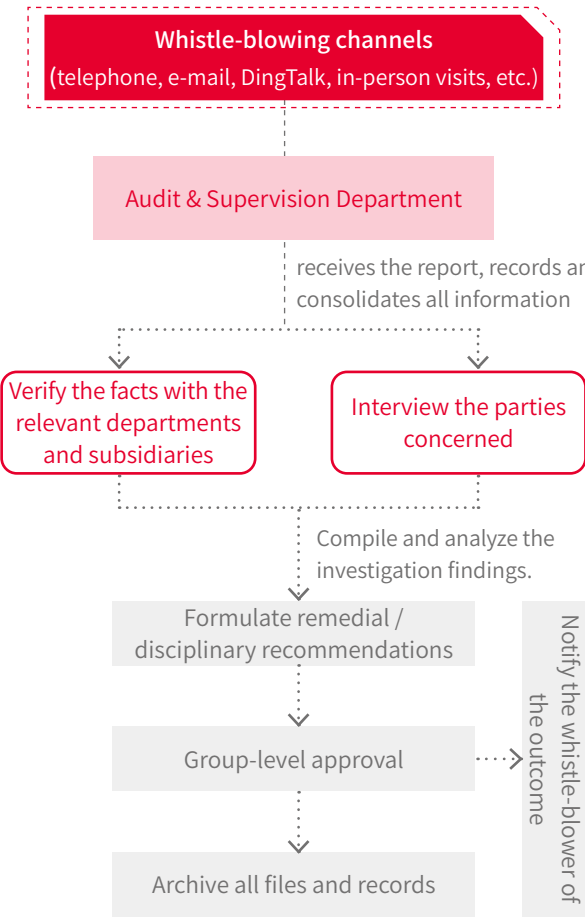
Through DingDing, the "Sustainable Development" column of the official website, and other forms, Yahua Group has published complaint and report email addresses, hotline numbers and letter addresses, and formulated Anti-bribery Policy, Integrity Code and ESG Complaint and Report Handling Policy to ensure that external stakeholders and internal employees can report violations and violations in a timely manner.

Yahua Group business ethics Whistle-blowing Channels

Email: sjb@scyahua.com

Hotline: 028-84166069、13350972366

Address: 66 Sichuan Chengdu Tianfu Four Street Traffic Hing International 21st floor, tower 1, Sichuan Yahua Industrial Group Co., LTD., the Ministry of Supervision of Audit



Whistleblower Protection

Yahua Group has established *the Yahua Group Integrity & Compliance Supervision Policy and the Yahua Group ESG Complaints & Whistle-blowing Handling Policy*, which explicitly define the Company's responsibility to protect whistle-blowers and set out detailed protection mechanisms and procedures. Reported matters are directly handled by the head of the Group's Audit and Supervision Department, who communicates confidentially with whistle-blowers to strictly prevent any disclosure of their identities. Any form of retaliation against whistleblowers is strictly prohibited.

During the reporting period, the Company recorded no incidents of whistle-blower retaliation, thereby effectively safeguarding employee rights and fostering a sound internal oversight environment.

Key Performance

0

cases

Whistle-blower Retaliation Incidents

Anti-Corruption Training

Integrity Training for All Employees

Yahua Group continuously invests resources in anti-corruption compliance training and integrity culture promotion. Mandatory training and integrity pledge signing are required for all new employees, aiming to reduce corruption and ethical risks from the source. The Group actively fosters employee recognition and practice of Yahua's integrity culture, and calls on all employees and partners to fully honor their commitments to ethical conduct.

DSE members	Receive special training on anti-corruption and anti-bribery to strengthen compliance awareness.
Employees of key departments	Receive special training on integrity and compliance, and apply business ethics awareness in daily work.
New employees	Complete compliance training, such as business conduct and ethics, and sign the Integrity Compliance clause upon entry.
All employees	Participate in company compliance training, take relevant courses and implement compliance requirements. (including regular employees, interns, etc.)
Vendors/Contractors	Receive special training for clean and compliant suppliers organized by the company, strengthen business ethics and anti-corruption awareness, and promise to comply with relevant clean and compliant requirements.

During the reporting period, the Group organized 3 anti-corruption training sessions, with a cumulative total of 19,241 training hours delivered. The training coverage rate for directors, supervisors, senior executives, and employees in critical positions reached 100%, representing a significant improvement compared to the previous year, and further strengthening integrity awareness across the organization.

Key Performance

3

sessions

Anti-corruption training

5,974

participants

Anti-corruption Training

19,241

hours

Anti-corruption Training

100%

Critical-position
Training Coverage

Anti-Corruption for Suppliers

During the reporting period, the Group conducted a total of 619 supplier integrity assessments, including 44 on-site assessments and 575 questionnaire-based assessments. A total of 620 integrity agreements were signed with suppliers. For suppliers found to have violated integrity commitments, the Group implemented corrective measures such as downgrading, blacklisting, or termination of cooperation, thereby strengthening risk control across the supply chain.

Case Study and Best Practices

The Group launched the themed campaign *"Nurture Integrity in Mind, Promote Integrity in Action,"* organizing a training session titled *"Strengthening Party Conduct and Enhancing Cadre Accountability."* More than 100 employees participated in the training, which included viewing anti-corruption warning films and conducting on-site oath-taking ceremonies to reinforce their awareness of integrity and self-discipline.



"Nurture Integrity in Mind, Promote Integrity in Action," activity

In November 2024, 1,190 management personnel in critical positions participated in specialized training sessions covering topics such as *"Procurement Sunshine Management,"* the *"Yahua Group Integrity and Compliance Supervision Policy,"* and *"Yahua Group Integrity and Disciplinary Rules."*

The training clarified the requirements for procurement integrity and the penalty mechanisms for violations, thereby enhancing the Group's risk-prevention and control capabilities.



Organized a honesty and compliance education conference

Digitalization & IT Landscape

Digitalization strategy

Yahua Group adheres to the philosophy of "unified planning, systematic integration, and precise control" in building its intelligent manufacturing and digitalization platform. In 2024, the Group launched an industrial app at Ya'an Lithium, achieving real-time monitoring and analysis of production processes. In the fields of blasting operations and hazardous chemical transportation, remote monitoring systems were upgraded. By leveraging transportation and blasting apps, along with a big data platform, the Group has significantly enhanced safety supervision. The dynamic monitoring coverage of vehicles has reached 100%, leading to notable improvements in operational efficiency and risk management.

Civil Explosive Operations

Through the digital upgrade of raw material and semi-finished product production processes, the Group has significantly improved operational efficiency and safety.



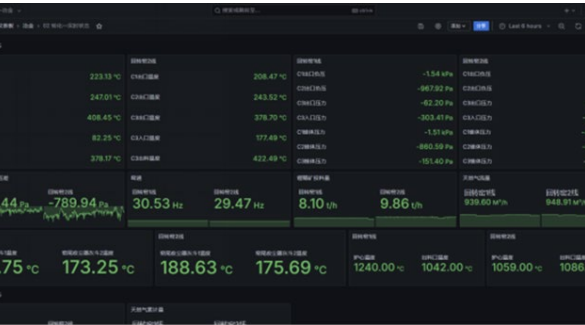
Santai Company's safety production digital platform



MES system of Mianyang Company

Lithium Operations

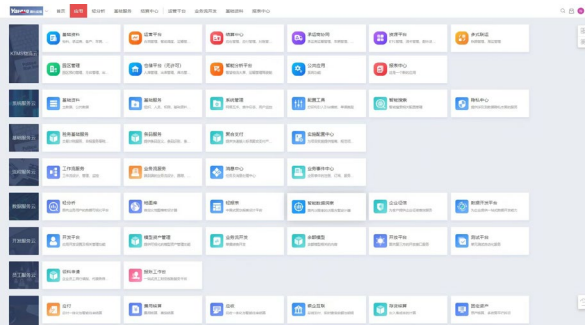
With the full implementation of intelligent production lines, real-time monitoring and early warning of process parameters have been realized, providing robust assurance of product quality.



Ya'an Lithium Industrial APP

Yahua Transportation

A comprehensive digital upgrade across all segments of hazardous materials transportation has significantly improved the company's operational efficiency while reinforcing the management and mitigation of safety risks.



Logistics Management System

CYBERSECURITY

Data privacy and security governance

The Group has consistently prioritized information security and privacy protection as a core strategic imperative, implementing rigorous governance enhancements with regular progress reporting to the Board of Directors and senior management. We actively enhanced institutional safeguards through the 2024 revision of the Yahua Group Information Security Management Framework, complemented by newly established Data Breach Emergency Response Protocols and Business Continuity Plans, with two comprehensive disaster recovery drills executed during the reporting period. The IT audit framework operates under a dual-review and dual-control mechanism. It combines biannual third-party system audits with quarterly internal compliance assessments, achieving a 100% remediation rate for critical system vulnerabilities. Workforce capacity-building initiatives demonstrated measurable outcomes: mandatory cybersecurity training achieved 91% workforce coverage, reflecting a 5% year-over-year increase in the participation rate, with an average 5-hour training duration per employee. This sustained commitment has maintained a zero-cybersecurity-incident record for three consecutive years, evidencing operational resilience aligned with international best practices in cybersecurity risk management.

Data Privacy Protection Practices

Yahua Group maintains rigorous compliance with domestic and international data protection regulations including China's Cybersecurity Law, Data Security Law, Personal Information Protection Law (PIPL), and the EU General Data Protection Regulation (GDPR), establishing a comprehensive privacy protection compliance framework while continuously advancing data security governance and optimization. The Group implemented its Global Privacy Principles to establish unified privacy protection standards across worldwide operations, ensuring cross-border data processing aligns with regulatory requirements. Through the automated integration of data protection clauses into the Supplier Relationship Management (SRM) system, 100% of supplier contracts now contain legally binding data governance provisions. During the reporting period, the Group conducted 12 special compliance audits focusing on privacy and data security, achieving a 100% full remediation closure rate for all identified issues within stipulated timelines.

User:

All user-facing digital platforms under the Group's ecosystem - including corporate websites, the SRM system, and the "Huatel Smart Logistics Platform" - explicitly disclose privacy policies and data protection clauses through publicly accessible interfaces, ensuring users'right to be informed and data controllership. In strict compliance with Article 8 of GDPR regarding minor data protection, the Group maintained zero instances of personal data collection from users under age 16 throughout the reporting cycle, with implemented age verification protocols fully aligned with regulatory requirements.

Supply chain Management:

The Group implements automated control of supplier data protection clauses through its Supplier Relationship Management (SRM) system, achieving 100% compliance audit coverage for core suppliers. This effectively reduces data privacy risks throughout the supply chain.

The Group did not incur any administrative penalties or material legal disputes related to violations of privacy or data protection regulations during the reporting period. The Group plans to fully implement a data classification management system in 2025, continuously improve privacy protection practices, strengthen data security safeguards, and ensure the sustained healthy development of business operations.

Platform Information Security User Agreement



Privacy Protection Training

03

ENVIRONMENTAL SYMBIOSIS

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Environmental Management

Systems

Yahua strictly adheres to national laws such as *the Environmental Protection Law, the Water Pollution Prevention and Control Law*, and the *Air Pollution Prevention and Control Law*, and has established a five-level management system covering the group, the Explosives Group, business entities, companies, and departments. Based on 6 major systems and 21 core elements, it standardizes internal environmental management. Key indicators such as the control of hazardous waste and the rectification of environmental protection hazards are incorporated into the performance appraisal of all employees and senior management.



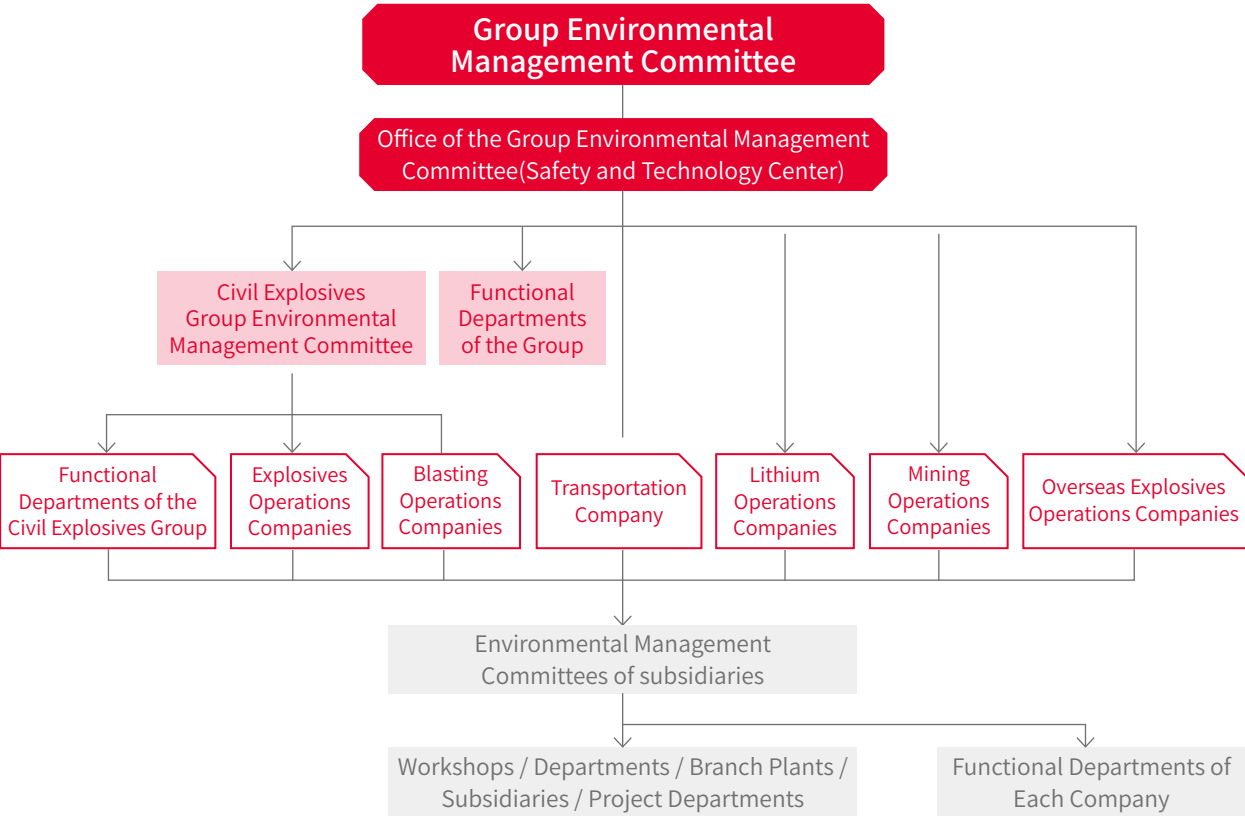
Key Performance

The ISO 14001 certification rate:

81%



Environmental protection organization structure diagram



In 2024, all subsidiaries of the Group effectively operated and implemented the requirements of the ISO 14001 Environmental Management System, conducted internal audits, and analyzed stakeholder needs. Throughout the year, no incidents of violations against environmental laws or regulations occurred.The Group's overall ISO 14001 system certification operations coverage rate reached 81%.Among them, all three lithium operations achieved certification, with a coverage rate of 100%. 10 civil explosives operations obtained certification, representing a coverage rate of 91%. The ISO 14001 certification for Tongda Company has been included in the 2025 annual plan and, upon completion, will achieve 100% coverage.Similarly, the mining operations have completed system establishment and trial operations, with certification scheduled in the 2025 annual plan. Upon certification, it will also reach 100% coverage.

Objectives

In conjunction with the company's annual production plan and previous years'emission data, the Group has set clear environmental management targets in 2024, covering the management of waste gas, general solid waste, and hazardous waste, and is committed to reducing the environmental impact of the whole life cycle of production and operation.



Environmental Management Objectives

0 cases	100%	100%
Environmental Pollution Incidents	Environmental Monitoring Pass Rate	Environmental Compliance Rate (based on testing)

Table: Overview of Waste-water, Air-pollution, and Waste management objectives of Yahua Group

Categories	Benchmark	Emission intensity Reduction targets
Industrial wastewater	0	Industrial wastewater is zero discharge and 100% recycled
NO _x emission intensity	Baseline year:2024	Intensity reduction target: - 3% reduction by the end of 2026 - 7% reduction by the end of 2029
SO _x emission intensity		Intensity reduction targets: - 3% reduction by the end of 2026 - 7% reduction by the end of 2029
PM particulate emission intensity		Intensity reduction targets: - 4% reduction by the end of 2026 - 9% reduction by the end of 2029
Non-hazardous Waste emission intensity		Tailings and waste rock are stored 100% safely The by-products of the Lithium are 100% utilized Generated Non-hazardous Waste intensity targets: - 5% reduction by the end of 2026 - 10% reduction by the end of 2029
Hazardous waste emission intensity		Intensity reduction targets: - 3% reduction by the end of 2026 - 8% reduction by the end of 2029
The waste recycling rate (%)		Recycling rate target: - To 65% by the end of 2026 - To 70% by the end of 2029

Features:The Lithium, The Mining business continued to expand production

Measures

Management Strategy

In 2024, Yahua invested 17.4 million in environmental protection, including 14.1 million for lithium operations and CNY 3.3 million for civil explosives and other businesses. Advanced environmental facilities and technologies were employed during production processes to control pollutant emissions.

Disposal category	Method of disposal
 Wastewater treatment	All industrial wastewater is treated and recycled through a closed-loop system, achieving zero discharge.
 Air pollution treatment	Air pollution emission is treated through desulfurization, denitrification, dust removal, and acid mist removal processes. Online monitoring facilities are installed at emission outlets to ensure compliance with all regulatory standards. Electric boilers, air-source heat pumps, and natural gas boilers are used for heating and steam supply. Electric boilers and air-source heat pumps operate without producing waste gas, while natural gas boilers have been retrofitted with low-nitrogen burners to achieve ultra-low emissions of sulfur dioxide (SO _x) and nitrogen oxides (NO _x).
 Solid Waste Management	By-products from the lithium operations, such as sodium sulfate (mirabilite), are recovered and reused as raw materials for producing other products. Packaging bags for sodium sulfate are also collected and reused by purchasing enterprises. In the civil explosive's operations, lead plates and detonator mother wires are recycled for use in product testing and bundling. General solid waste (such as waste cartons and scrap metals) is managed through signed recycling agreements, and domestic waste is handled through designated waste collection and disposal contracts to ensure proper treatment.
 Hazardous Waste Management	All hazardous waste is collected promptly, securely stored in designated warehouses, and entrusted to licensed third-party agencies for compliant recycling and disposal.

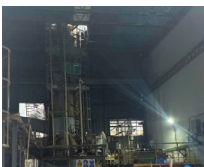
Implementation status

01	Management Inspection	Hidden perils in organization 229, found 605, internal and external examination 63 times, 100% improvement.
02	Impact Assessment	Ya'an Lithium, Kaida Company of new and expansion projects, has passed the acceptance.
03	Accident Emergency Drill	Organization of environmental protection exercise 24 times, special exercises 26 times.
04	Protection Training	Carry out environmental protection training 67 times, a total of 7,373 participants.



Case:

Blossom Lithium completed the boiler low-nitrogen combustion transformation in 2024, and the nitrogen oxide index was controlled below 30mg/m³; Guoli Corporation completed the energy-saving transformation of the dust collection system at the end of the rotary kiln, and the dust concentration at the outlet was reduced to less than 10mg/Nm³.



Boiler low-nitrogen burner transformation

Retrofit of the kiln end dust collection system

Progress

In 2024, Yahua Group achieved remarkable results in the management of waste emissions. To achieve zero discharge of production wastewater and standard discharge of domestic sewage, although the total amount of waste gas has increased due to business expansion, the waste has performed well in comprehensive utilization and safe disposal through effective control of emission indicators through technological reform, and the target set by 2024 has been achieved.

Wastewater Management

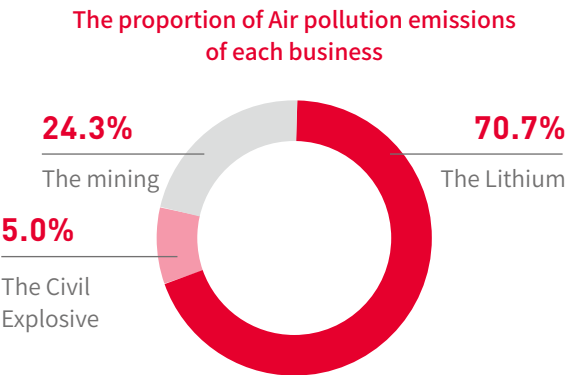
The company mainly includes the production of wastewater and domestic sewage, wastewater key monitoring chemical oxygen demand (COD), suspended solids (SS), and ammonia (NH₃-N). In 2024, there was zero discharge of industrial wastewater, and the total amount of domestic sewage discharged was 26,829 tons (due to the continuous release of lithium production capacity and the increase in the number of employees, domestic wastewater increased by 9.8% Y-o-Y), the concentration of major pollutants showed a steady trend with a downward trend, and the discharge of chemical oxygen demand (COD) was 0.42 tons (down 20.8% Y-o-Y).

Indicators of wastewater management	Units	2024	2023	Y-o-Y
Total Industrial Effluent ⁶	Tons	0	0	NA
Total Domestic Wastewater	Tons	26,829	24,427	+9.8%
Chemical Oxygen Demand (COD)	Tons	0.42	0.53	-20.8%
Suspended Solids (SS)	Tons	0.11	0.14	-25.7%
Ammonia Nitrogen emissions (NH ₃ -N)	Tons	0.05	0.05	+0.0%

⁶For Ya'an Company, part of the Industrial Explosives Operation, 9,330 tons of treated Industrial Effluent were indirectly discharged to the municipal wastewater treatment plant, with such discharge accounted for under the downstream facility's emissions statistics. All other production units fully recycle and reuse their process wastewater, with water removed through evaporation and integration into final products. As a result, Yahua Group maintains zero discharge of Total Industrial Effluent across its operations.

Air Emissions Management

Yahua Group, in accordance with *the Air Pollution Prevention and Control Management Policy*, focuses on the control and monitoring of key indicators such as sulfur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter. In 2024, the Group's total waste gas emissions amounted to 100.2 tonnes, representing a 149.8% YoY increase. Emissions from the Lithium totaled 70.8 tonnes, mainly due to the continued release of production capacity, reflecting a 103.8% YoY increase. Emissions from the Mining operations newly included in the statistical scope accounted for 24.4 tonnes.



Air emissions index	Units	2024	2023	Y-o-Y
Total exhaust emissions	Tons	100.2	40.1	+149.8%
For the Lithium	Tons	70.8	34.7	+103.8%
For the Mining	Tons	24.4	NA	New Added
For the Civil Explosive	Tons	5.0	5.4	-7.0%
Total SO _x emissions	Tons	26.1	8.7	+199.4%
Total NO _x emissions	Tons	41.7	25.4	+64.2%
Total PM emissions	Tons	32.3	6.0	+441.5%
Total intensity of emissions (x10 ⁻⁵)	T/t product	10.3	7.9	+29.5%
Total intensity of SO ₂ (x10 ⁻⁵)	T/t product	2.7	1.7	+55.3%
For the Lithium (x10 ⁻⁵)	T/t product	34.8	31.3	+11.0%
For the Mining (x10 ⁻⁵)	T/t product	2.9	NA	New Added
For the Civil Explosive (x10 ⁻⁵)	T/t product	0.06	0.04	+57.0%
Total intensity of NO ₂ (x10 ⁻⁵)	T/t product	4.3	5.0	-14.8%
For the Lithium (x10 ⁻⁵)	T/t product	66.8	75.0	-10.9%
For the Mining (x10 ⁻⁵)	T/t product	2.5	NA	New Added
For the Civil Explosive (x10 ⁻⁵)	T/t product	1.8	2.2	-14.8%
Total intensity of PM (x10 ⁻⁵)	T/t product	3.3	1.2	+180.9%
For the Lithium (x10 ⁻⁵)	T/t product	74.0	19.7	+276.4%
For the Mining (x10 ⁻⁵)	T/t product	0.5	NA	New Added
For the Civil Explosive (x10 ⁻⁵)	T/t product	0.1	0.2	-50.0%

Waste Management

The Group continuously enhances resource recycling efficiency and reduces environmental impact by promoting the resource utilization of waste and implementing hazardous waste minimization and reuse measures. For hazardous waste such as used engine oil, dedicated storage warehouses are in place, and the "Five-Linked Document" system⁷ is strictly enforced, with 100% of the waste entrusted to qualified third-party disposal service providers.

In 2024, the Mining safely stored 15.7 million tons of tailings and waste rock. By-products from the Lithium operations achieved a 100% comprehensive utilization rate. The discharge Non-hazardous Waste Generated Intensity exceeded annual reduction targets, achieving an actual decrease of 34.8%. A total of 1,496 tons of recyclable waste was recovered, representing a recycling rate of 62.8%.

Hazardous waste emissions totaled 85.1 tons, up 31.6% YoY due to continued capacity expansion in the Lithium operations. However, the safe disposal rate reached 100%.



Safe Stockpiling of Waste Rock in Mining Operations



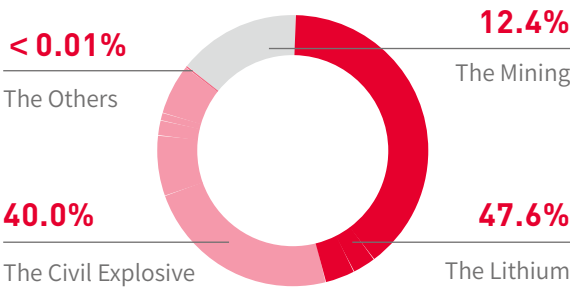
Mining Tailings Facilities



Packaging and Sale of By-products from Lithium Operations



Proportion of Non-hazardous Waste Generated Emissions



⁷ The 'Five-Linked Document' system is a regulatory mechanism established by the Chinese government to supervise the transfer of hazardous waste. It requires detailed documentation across five parties: the waste generator, the transporter, the receiving/disposal facility, and the relevant regulatory authorities, ensuring full traceability and accountability throughout the waste transfer process.

Table: Non-hazardous waste discharge indicators

Index of non-hazardous waste	Units	2024	2023	Y-o-Y
Total Mine Waste (Gangue) ⁸	Million tons	15.7	NA	New Added
Total By-products from Lithium Operations ⁹	Tons	518,641	381,747	+35.9%
Total Non-hazardous Waste Generated ¹⁰	Tons	2,384	1,896	+25.7%
For the Lithium	Tons	1,135	923	+22.9%
For the Civil Explosive	Tons	955	973	-1.9%
For the Mining	Tons	296	NA	New Added
Non-hazardous Waste Generated Intensity (x10 ⁻⁴)	T/t product	24.5	37.6	-34.8%
For the Lithium (x10 ⁻⁴)	T/t product	281.5	334.9	-15.9%
For the Civil Explosive (x10 ⁻⁴)	T/t product	38.5	44.2	-12.9%
For the Mining (x10 ⁻⁴)	T/t product	7.2	NA	New Added
Non-hazardous Waste Generated Recycled	Tons	1,496	1,223	+22.4%
Non-hazardous Waste Generated Recycling Rate	%	62.8%	64.5%	-2.7%

Table: Discharge index of hazardous waste

Index of Hazardous waste	Units	2024	2023	Y-o-Y
Total Hazardous waste ¹¹	Tons	85.1	64.7	31.6%
For the Lithium	Tons	48.0	30.1	+59.4%
For the Civil Explosive	Tons	32.2	34.6	-7.0%
For the Mining	Tons	5.0	NA	New Added
Hazardous waste intensity (x10 ⁻⁵)	T/t product	8.8	12.8	-31.7%
For the Lithium (x10 ⁻⁵)	T/t product	119.0	109.1	+9.0%
For the Civil Explosive (x10 ⁻⁵)	T/t product	13.0	15.7	-17.4%
For the Mining (x10 ⁻⁵)	T/t product	1.2	NA	New Added
Safe disposal rate	%	100	100	NA

⁸ Mine Waste (Gangue): Refers to overburden waste rock or soil, ore tailings, and discarded rock generated during mining or drilling activities.

⁹ Total By-products from Lithium Operations: Includes lithium slag (leaching residue), thenardite (sodium sulfate), and other industrial by-products. These materials are sold to industries such as cement, ceramics, and ready-mixed concrete as clinker additives, reducing clinker usage, improving reactivity, and achieving 100% comprehensive utilization of industrial by-products.

¹⁰ Total Non-hazardous Waste Generated: Excludes mine waste and lithium industry by-products, and includes wooden pallets and crates, discarded packaging materials, production scraps, household waste, office paper, and metal components from dismantled equipment or facilities, classified as non-hazardous

¹¹ Hazardous Waste: Includes used engine oil, spent catalysts, waste acids, phenol-containing sludge, paints and dyes, as well as hazardous waste types classified under HW49 and HW09.

Awards

Under the continuous strengthening of environmental management and investment, the Group achieved 100% pass rate of environmental protection testing, 100% discharge rate of three wastes meeting standards, and no environmental violations occurred.



KMC won Zimbabwe's National Responsible Mine and Social Impact Award



Ya'an Lithium awarded the National Green Factory



Awarded the titles of provincial environmental integrity and Good Environmental Protection enterprises



In 2024, key performance

17.4 million

Invested in environmental protection

None

Environmental violations

Zero

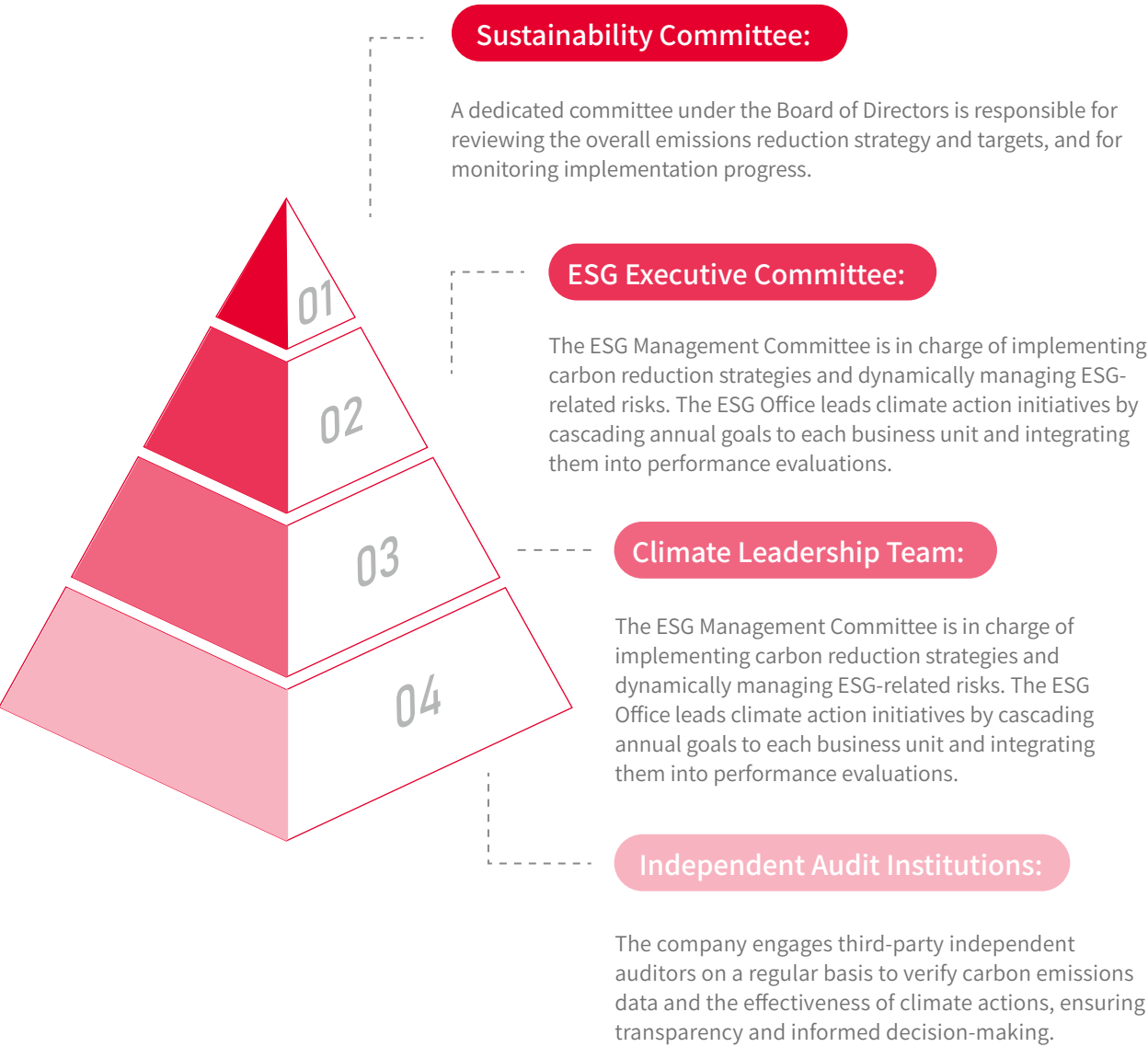
Discharge of industrial wastewater

Climate Change & Carbon Strategy

Yahua Group, based on the sustainable development of *the international standard ISSB sustainable disclosure guidelines NO. 2* and the TCFD framework, to build a comprehensive climate risk response system, covering management, strategy, risk management, and performance targets in four fields, to support measures to ensure scientific and efficient quantitative data.

Governance

The Group has established a three-tier climate governance structure, including the decision-making level, the management level, and the executive level. The ESG Office leads the climate work, refining the annual climate targets in each business unit and incorporating them into performance reviews.



Strategies

Climate Scenarios

Based on the IPCC¹² scenario model, two scenarios with "Most optimistic"¹³ (RCP2.6/SSP1) and "to avoid at any cost"¹⁴(RCP8.5/SSP5) were selected to quantitatively assess the transition and entity risks, predict the trend of temperature change, and formulate emergency plans such as technological innovation.

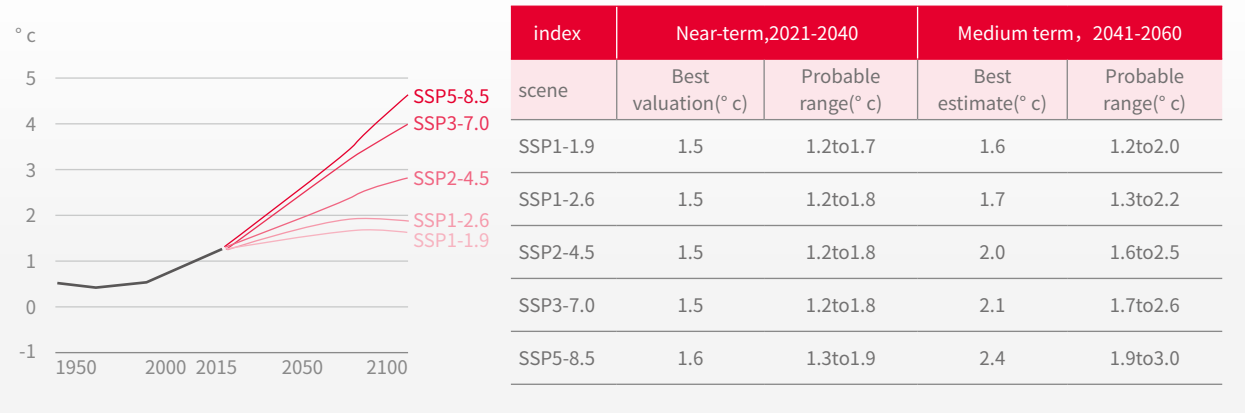


Figure: Global surface temperature change under the comparison scenario selected by the Yahua Group

¹² United Nations Intergovernmental Panel on Climate Change (IPCC)

¹³ "Most optimistic": 1.5° C scenario, in line with the Paris Agreement. RCP 2.6 Strict path for the representative concentration scenario and SSP 1 Strict path for the shared socio-economic scenario; this scenario is the most stringent in terms of policy regulation, and the transition risk has the greatest impact on the firms, which is used to conduct the transition risk analysis.

¹⁴ "To avoid at any cost": 4.4° C scenario, consistent with continued dependence on fossil fuels. RCP 8.5 represents the high emissions pathway for the representative concentration scenario and SSP 5 shares the high emissions pathway for the socio-economic scenario; this scenario is analyzed for physical risk as it has the most permissive policy regulation and the greatest physical risk to firms.

Risks & Opportunities

We have systematically reviewed the risks and opportunities brought about by climate change and deeply recognized the importance of enhancing climate resilience at the business and strategic levels.

Category	Specific description	Potential financial impact	Countermeasures
Physical risk - acute risk	Extreme weather, such as heavy rain, extreme temperatures, flooding, etc., can damage production equipment and lead to disruption of operations or repair costs.	Operating costs ↑ Operating revenue ↓	Establish a disaster warning and response system; Strengthen infrastructure disaster prevention and reinforcement; And diversify supply chains.
Physical risk - chronic risk	Heat or drought affects water and electricity supplies, increasing operating costs and limiting capacity.	Operating costs ↑ Operating revenue ↓ Capacity constraints - Capital expenditure ↑	Optimize resource efficiency; And increase production flexibility and redundant processes.
Transition risks - Policy and Legal	Energy structure low-carbon transition policy risks, need to share the cost of energy transition with the government.	Operating costs ↑	Track changes in policies and regulations; Develop carbon compliance strategies; And engage in policy advocacy.
Transition risk - Market	Customer requirements for carbon reduction increase and lack of low-carbon products or certification may lead to customer loss and increased financing costs.	Financing costs ↑ Operating costs ↑ Operating revenue ↓	Increase green product research and development; Strengthen customer communication and certification; Optimize business structure.
Transformation risk - Technology	The growing demand for zero-carbon operations calls for increased investment in technologies such as digitization and renewable energy.	Operating costs ↑	Increased investment in technological innovation; Share technology with external partners; And piloting new technologies.
Transformation risk - Reputation	External concerns about the environment and labor rights of the chemical industry, and insufficient information disclosure may damage the corporate image.	Operating costs ↑ Churn of customers-	Enhanced ESG disclosure; Communicating with stakeholders; And enhance your reputation through third-party evaluations.

Strategic Objectives

Yahua Group climate strategy follows the "3 + 4 + N" framework to 2060 carbon neutral. In energy management and production process optimization and electrification instead of three core areas, through the digital management and energy saving equipment upgrades, the application of clean energy and carbon capture and use of the four technical pathways, by priority to implement N measures to reduce carbon emissions intensity and energy consumption.

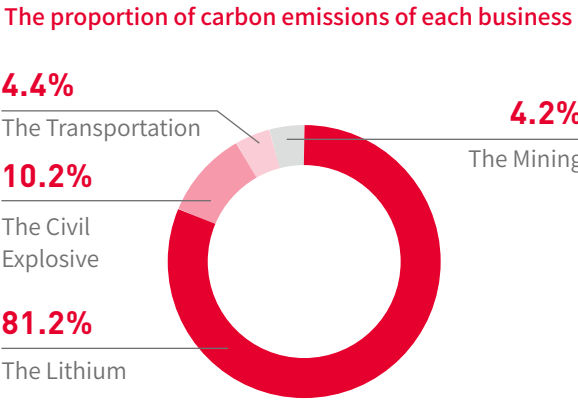


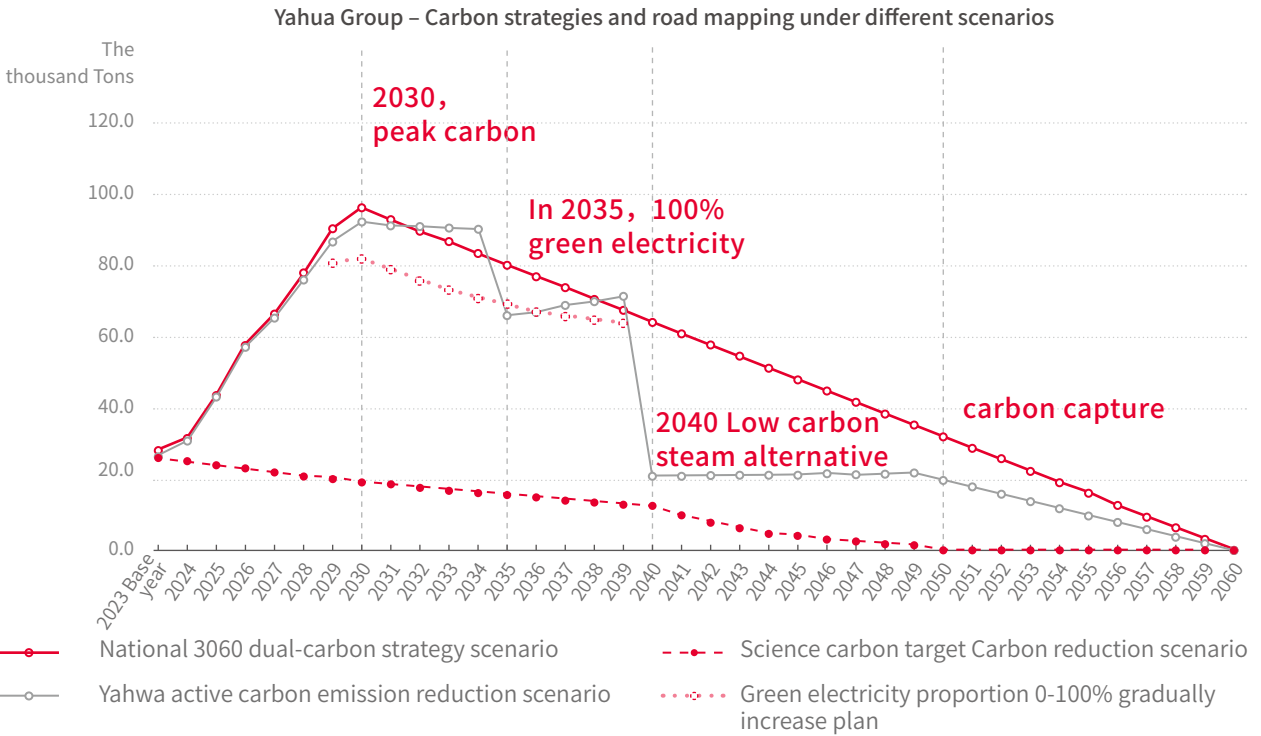
Table: Yahua Group's Decarbonization Targets Objectives

category	Benchmark	Targets
Group level	Benchmark: 2024	GHG emissions targets: (Scope 1+2) - Peak carbon emissions by 2030 - Carbon neutrality by 2060
The Lithium	Benchmark: 2023 Features: The expansion has continued	GHG emissions targets: (Scope 1+2) - Peak carbon emissions by 2030 - Carbon neutrality by 2050 Intensity reduction targets: Reduced by 8% - the end of 2026 Reduced by 15% - the end of 2029
The Civil Explosive	Benchmark: 2024 Features: the business scale is stable [Setting Targets for Existing Business Operations]	GHG emissions targets: (Scope 1+2) - Achieved the carbon peak target - Carbon neutrality by 2060 Intensity reduction targets: Reduced by 2% - the end of 2026 Reduced by 5% - the end of 2029
The Transportation	Benchmark: 2024 Features: The expansion has continued	GHG emissions targets: (Scope 1+2) - Peak carbon emissions by 2030 - Carbon neutrality by 2060 Intensity reduction targets: Reduced by 3% - the end of 2026 Reduced by 6% - the end of 2029
The Mining	New business unit	Goal setting plan: - After business operations stabilize in 2024, intensity-based and absolute-control targets will be established in 2025 based on actual emission data.

Reduction Roadmap

We fully support the objectives of the Paris Agreement as well as China's national carbon emission reduction strategies. Considering Yahua Group's operational characteristics, we have established a science-aligned GHG reduction strategy based on climate scenario analyses consistent with the IPCC's 1.5° C and 2° C pathways. Specifically, Yahua are committed to achieving peak Scope 1 and Scope 2 GHG emissions across all existing operations by 2030, and reaching carbon neutrality by 2060.

Each business unit has been assigned specific decarbonization targets, and progress is closely monitored every quarter to ensure systematic and continuous improvement.



Risk Management

Yahua Group adopts a closed-loop management model of "Identification – Assessment – Response – Monitoring and Reporting", applying quantitative data analysis tools to quantify risk occurrence probabilities and associated financial exposures.

Measures	The specific way
Identification	The ESG Office of the Group takes the lead in collaborating with various departments to identify risks existing in the lithium, Civil Explosives, mining, and hazardous chemicals transportation businesses, as well as strategic opportunities in areas such as the growing demand for low-carbon products and technological innovation in clean energy.
Assessment	In collaboration with risk Management, the ESG Office quantifies and prioritizes the probability and financial impact of risks and opportunities based on data tools.
Response	Integrate climate risks into overall risk management, adopt mitigation and adaptation measures, and develop contingency plans; And develop scaling strategies for potential opportunities, with clear timelines and performance indicators.
Monitoring & Reporting	Report regularly on progress in risk management, make it public through reports, establish monitoring mechanisms, collect climate data and policy changes, incorporate performance appraisals and improve transparency.

Progress

Achievement

In 2024, Yahua Group's total carbon emissions reached 314,872 tons, representing a YoY increase of 36.7%. This increase was primarily driven by the continued ramp-up of Lithium production capacity, contributing to 71,253 tons of emissions. Emissions from the Civil Explosives segment decreased by 1,106 tons Y-o-Y. Due to continued business growth in 2024 and the acquisition of Heng'an Transportation, transportation-related emissions rose by 1,388 tons Y-o-Y. Notably, emissions from the Mining were disclosed for the first time, amounting to 13,078 tons.

GHG emissions (Metric tons of carbon dioxide equivalents)

Index	Unit	2024	2023	Y-o-Y
GHG emissions (scope 1 and 2) ¹⁵	tCO ₂ e	314,872	230,300	+36.7%
For lithium	tCO ₂ e	255,735	184,482	+38.6%
For Civil Explosive	tCO ₂ e	32,073	33,179	-3.3%
For the Transportation	tCO ₂ e	13,954	12,566	+11.0%
For Mining	tCO ₂ e	13,078	NA	New Added
Direct GHG emissions (Scope 1) ¹⁶	tCO ₂ e	167,588	113,055	+48.2%
Indirect GHG emissions (Scope 2) ¹⁷	tCO ₂ e	147,284	117,245	+25.6%
Value-chain GHG Emissions (Scope 3) ¹⁸	tCO ₂ e	578,172	NA	New Added



Ya 'an Lithium Green Electricity Certificate (GEC)

Australian company's photovoltaic panels

¹⁵ Total Greenhouse gas emissions=Scope 1+Scope 2

¹⁶ Scope 1 calculation includes solid fuel emissions (raw coal, fine-washed coal, anthracite), liquid fuel emissions (gasoline, diesel, LNG), gaseous fuel emissions (natural gas), and chemical emissions from the production process; we selected emission factors based on the "2006 IPCC Guidelines for National Greenhouse Gas Inventories", and China's Ministry of Ecology and Environment's "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises" and calculation.

¹⁷ Scope 2 calculations include purchased electricity, purchased heat, purchased steam, and purchased cold; we convert energy based on the General Rules for Comprehensive Energy Consumption Calculation (GB/T2589-2020), the Energy Conservation Design Standards for Civil Buildings, and the Energy Conservation Design Standards for Public Buildings discount coefficients, and the carbon factors are selected using data from "Emissions Factors 2024 - Data product - IEA", '2006 IPCC Guidelines for National Greenhouse Gas Inventories', and 'Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises' by the Ministry of Ecology and Environment of China.

¹⁸ Scope 3, Due to the Cat. 4 Upstream transportation and distribution in the lithium industry for 2024.

In 2024, the Group's GHG emission intensity target was 0.33 tCO₂e / tonne of product, and the actual emission of 0.32 tCO₂e / tonne of product, of which the Lithium, Mining, and Civil Explosive Group has achieved the 2024 annual emission reduction target. Lithium and Civil Explosive reduce carbon emission intensity per unit product by 5.2% and 14.2%, respectively, through energy structure optimization and key production line process improvement.

Greenhouse gas emission intensity ¹⁹	Unit	FY 2024 - Target	FY 2024 - Process	Reached
Total emission intensity	tCO ₂ e/t-product	0.33	0.32	Achieved
For the Lithium	tCO ₂ e/t-product	6.49 (-3.0%)	6.34 (-5.2%)	Achieved
For the Civil Explosive	tCO ₂ e/t-product	0.14 (-7.2%)	0.13 (-14.2%)	Achieved
For the Transportation	tCO ₂ e/t-product	0.054	0.052	Achieved
For the Mining	tCO ₂ e/t-product	0.033	0.032	Achieved

Carbon Footprint

The Lithium operations are steadily advancing their carbon emissions management efforts by conducting organizational-level greenhouse gas (GHG) verifications by recognized standards. At the product level, comprehensive life cycle assessments (LCA) and certified carbon footprint verifications are being carried out to ensure transparency and credibility in emissions reporting across the full value chain.

Ya 'an Lithium & Guoli Corporation







Results:

- Life Cycle Assessment (LCA) Reports for Lithium Hydroxide Monohydrate, Micronized Lithium Hydroxide Monohydrate, and Lithium Carbonate Products.
- Carbon Footprint Verification Certificates for Lithium Hydroxide Monohydrate, Micronized Lithium Hydroxide Monohydrate, and Lithium Carbonate Products.
- Organizational-level Greenhouse Gas (GHG) Verification Certificate.

¹⁹ Total intensity data include direct and indirect emissions. (tCO₂e / tonne of product)

Energy Management

Yahua continues continuously advance its goals of reducing energy consumption per unit of product, increasing the proportion of clean energy, and optimizing its energy structure and management systems. Energy conservation and emission reduction targets are allocated annually to each business unit and production facility, incorporated into performance evaluations, and supported by dedicated budgets to ensure effective achievement of the objectives.

Systems

We have established an energy management system following ISO 50001 standards, covering all business links. In 2024, a comprehensive energy audit was carried out, and several energy-saving technological transformation projects were formulated. In the future, continuous optimization will be carried out through the mechanism of "audit -- improvement -- evaluation -- further improvement".



Ya'an Lithium ISO 50001 certification



Guoli Corporation ISO 50001 certification

Measures

The Company improves energy efficiency and reduces greenhouse gas emissions through technological improvements and equipment upgrades. Specific measures include:

Process Technology

In the Lithium and Civil Explosives, various operations have adopted high-efficiency heating furnaces,waste heat recovery systems, and electrified production equipment to reduce fossil fuel consumption intensity and minimise electricity losses, thereby directly lowering Scope 1 and Scope 2 greenhouse gasemissions.

Clean Energy

Operations are actively incorporating clean energy sources such as hydropower and photovoltaic (solar) power, while also piloting the installation of on-site distributed photovoltaic systems at production sites.These initiatives aim to gradually increase the proportion of green electricity and reduce reliance on high-carbon power sources.

Energy Efficiency

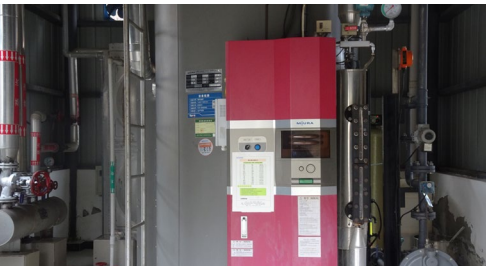
Each operation has set energy consumption targets, which are integrated into performance evaluations to ensure that emission-reduction measures are effectively implemented in daily operations.

Progress

Measures	Special Project
Energy Efficiency	Ya'an Lithium: Installed four variable frequency drives (VFDs), resulting in annual electricity savings of 600,000 kWh (317.5 tonnes CO₂e reduction). Guoli Corporation: Increased the rotary kiln feed rate by 2.5 tonnes per hour, reducing coal consumption per unit of product by 5.0%. HengTai Company: Upgraded air compressor pipeline systems to improve energy efficiency and reduce overall energy consumption. JiYang Company: Replaced traditional air compressors with variable frequency models, saving 60,984 kWh of electricity annually (7.5 tonnes CO₂e reduction). JinHeng Company: Implemented production line technical upgrades resulting in 15,542 kWh annual electricity conservation (15.5 tonnes CO₂e reduction). Transport Companies: Optimized the fleet of vehicles used for the Transportation, achieving 250,000 liters of diesel savings annually (665.5 tonnes CO₂e reduction).
Equipment Upgrades	Ya'an Lithium: Adopted variable frequency fans, achieving annual electricity savings of 450,000 kWh (238.1 tonnes CO₂e reduction). Guoli Corporation: Optimized acidification kiln heating process, reducing 240,000 kWh annual power consumption (127 tonnes CO₂e reduction). MianYang Company: Upgraded air compressors with energy-efficient models yielding 135,000 kWh annual electricity savings (16.6 tonnes CO₂e reduction). ZhongDing Company: Converted coal-fired boilers to biomass-powered systems, achieving 914.9 tonnes annual CO₂e reduction. JiYang Company: Transitioned from gas heating to centralized heating, resulting in annual cost savings of CNY 590,000.
Process Innovation	HengTai Company: Implemented waste steam recovery system for water preheating processes, achieving 14.7 tonnes annual CO₂e reduction. KMC: Converted water extraction equipment from diesel generators to municipal grid power, saving 4,000 liters of diesel consumption daily.
Intelligent Platform	Ya'an Lithium: Upgraded the energy management platform to enable digitalized monitoring and control. Santai Company: Deployed intelligent boiler start-stop technology to optimize operational efficiency and reduce carbon emissions.



Optimization of transport vehicle components



Intelligent Start-stop Boiler Systems



Smart Production Line Upgrades

Consumption

Yahua Group continuously optimizes its energy utilization, primarily relying on natural gas, diesel, and electricity. In 2024, the energy consumption intensity of the Lithium and the Civil Explosives decreased by 4.4% and 12.8%, respectively, demonstrating significant energy-saving results. The electricity purchased externally; green electricity accounted for 64.5%. Specifically, for the Lithium, hydropower accounted for 152,402 MWh, representing 66.3% of its purchased electricity. For the civil explosives business, green electricity—comprising wind power, solar power, and hydropower, 13,670 MWh in total, making up 77.8% of its purchased electricity.

Due to national grid policies requiring a mandatory proportion of coal-fired power allocation, the share of clean electricity in the lithium business decreased by 20.2%, and the overall clean energy consumption ratio declined by 10.3%.

Table: Energy consumption

Index	Unit	2024	2023	Y--year (%)
Total direct energy consumption	MWh	648,477	462,229	+40.3%
Total indirect energy consumption	MWh	259,023	210,039	+23.3%
Total energy consumption ²⁰	MWh	907,499	672,269	+35.0%
For the Lithium	MWh	723,572	517,653	+39.8%
For the Civil Explosive	MWh	106,376	108,273	-1.8%
For the Transportation	MWh	53,051	47,850	+10.9%
For Mining	MWh	24,442	NA	New Added
Total energy intensity	MWh/T product	0.93	1.33	-30.0%
For the Lithium	MWh/T products	17.95	18.77	-4.4%
For the Civil Explosive	MWh/T product	0.43	0.49	-12.8%
For the Transportation	MWh/T product	0.20	0.19	+4.9%
For Mining	MWh/T product	0.06	NA	New Added
Clean-Energy Consumption ²¹	MWh	639,409	521,161	+22.7%
For the Lithium	MWh	607,996	488,346	+24.5%
For the Civil Explosive	MWh	31,412	32,815	-4.3%
Share of Clean-Energy ²²	%	70.4%	77.5%	-7.1%
For the Lithium	%	84.0%	94.3%	-10.3%
For the Civil Explosive	%	29.5%	30.3%	-0.8%

²⁰ **Energy Consumption Methodology:** Total energy consumption constitutes the sum of direct and indirect energy consumption. All energy data are converted using standard coal equivalent coefficients in accordance with *General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*, *Design Standard for Energy Efficiency of Residential Buildings*, and *Design Standard for Energy Efficiency of Public Buildings*.

²¹ **Clean-Energy Consumption:** Clean energy consumption refers to the total usage of wind energy (wind power), solar energy (photovoltaic and solar thermal), hydropower, and natural gas. As of 2024, clean energy is only used in the lithium salt and civil explosives businesses.

²² **Share of Clean-Energy** Refers to the ratio of total clean energy consumption to total energy consumption.

Water Management

Objectives

Yahua Group has established a ladder target system based on business differentiation. Taking 2024 as the base year, the Group has set short-term (2026) targets and medium-term (2029) water-saving potential. Tiered water resource management targets have been set according to the water consumption characteristics of each business.

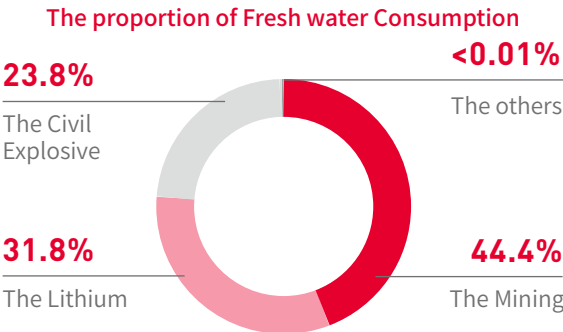


Table: Overview of strategic objectives of water consumption management

Category	The benchmark	Water Consumption Management
Group level	Benchmark: 2024	Intensity Reduction Targets: - Reduced by 4.1% - the end of 2026 - Reduced by 8.8% - the end of 2029
The Lithium	Benchmark: 2024 Feature: Continuous production expansion	Intensity Reduction Targets: - Reduced by 5.5% - the end of 2026 - Reduced by 15.0% - the end of 2029
The Civil Explosive	Benchmark: 2024 Features: both the business scale is stable	Intensity Reduction Targets: - Reduced by 2.5% - the end of 2026 - Reduced by 4.0% - the end of 2029
The Mining	New business unit	Goal setting plan: - After business operations stabilize in 2024, intensity-based and absolute-control targets will be established in 2025 based on actual emission data.

Measures

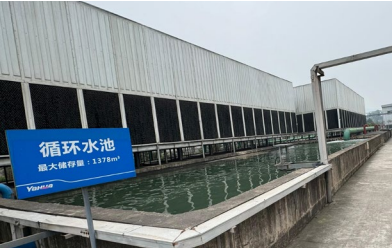
Risk management

Leveraging the World Resources Institute (WRI) Aqueduct Water Risk Atlas, we comprehensively assess water-related risks (physical, transitional, and regulatory compliance risks) across operational regions, followed by formulating geospatial-specific mitigation roadmaps.

Action process

For the Lithium Operations

Located in Sichuan Province (Aqueduct score: 2.1/5), where water resources are abundant but there is a risk of heavy rainfall and flooding. The sites have installed rainwater and sewage diversion systems, enabling the recovery of 160,000 cubic metres of rainwater annually. By improving water recycling systems, the water utilization rate increased from 90.4% to 96.4%. Additionally, process improvements in slag-belt lithium extraction resulted in an annual water savings of 46,000 cubic metres.



Circulation Pool

For the Mining Operation, Zimbabwe

The Kamativi mining area in Zimbabwe faces severe water scarcity risks (Aqueduct score: 4.2/5), including drought and competition for water use. Plans are underway to expand the reservoir capacity to 4 million cubic metres, supplemented by rainwater harvesting during the rainy season and water intake from the Gwayi River via pumping stations to secure a water supply during the dry season. In 2025, the commissioning of Phase I tailings-water recycling systems will further reduce demand for fresh water. The site is also increasing the reuse rate of mining wastewater to 80%, thereby reducing reliance on local watershed resources.



Assessment and exploration of surface water resources

For the Civil Explosive Operations, in North China

Water balance assessments are continuously conducted to identify potential water-use issues and develop water-saving solutions. Jiyang Company implemented an intelligent pipeline leakage monitoring system, achieving annual water savings of 6,532 tonnes. Jinheng Company adopted a direct-supply process for ammonium nitrate solution, achieving annual water savings of 120 tonnes.



Ammonium nitrate solution storage tank

Consumption

In 2024, total water withdrawal by Yahua reached 2,491,732 tonnes, representing a 92.9% YoY increase. This surge is primarily attributed to the inclusion of mining operations within the reporting boundary, which accounted for 44.4% of the Group's total water withdrawal. Non-traditional water sources used by the mining segment represented 89.6% of the Group's total non-traditional water consumption. As a result of this consolidation, water withdrawal from traditional sources rose by 603.2% Y-o-Y, while the overall proportion of water sourced from non-traditional sources increased by 18.7%.

Table: Water resource utilization of Yahua

Water Utilization Index	Units	2024	2023	Y-o-Y
Total Freshwater Withdrawal	Tons	2,491,732	1,291,737	+92.9%
Freshwater Withdrawal Intensity	T/t product	2.56	2.56	+0.0%
Total Freshwater Consumption ²³	Tons	2,455,573	1,258,008	+95.2%
For the Lithium	Tons	773,467	655,029	+18.1%
For the Civil Explosive	Tons	575,198	602,980	-4.6%
For the Mining	Tons	1,106,908	NA	New Added
Freshwater Consumption Intensity	T/t product	2.52	2.49	+1.2%
For the Lithium	T/t products	19.18	23.75	-19.2%
For the Civil Explosive	T/t products	2.32	2.74	-15.3%
For the Mining	T/t products	2.68	NA	New Added
Alternative Water Withdrawal ²⁴	Tons	1,004,346	142,835	+603.2%
Proportion of Alternative Water in Total Water Withdrawal	%	28.7%	10.0%	+18.7%
Recycled Water Utilized ²⁵	Millon tons	3,181	1,005	+216.7%
Water Recycling Rate	%	90.1%	87.5%	+2.6%

Achievement

In 2024, both the lithium and civil explosives exceeded their water-saving targets. The water consumption intensity of the lithium decreased by 19.2%, significantly surpassing the original target of 10%. The civil explosives achieved a 15.3% reduction, also outperforming its 10% target. The mining recorded a water consumption intensity of 2.68 tonnes per tonne of ore processed, which was below the target threshold of 2.80 tonnes.

Water consumption intensity Target	Units	2024 target value	2024 Actual value	Reached
For the Lithium (%)	%	Drop 10%	Dropped 19.2%	Overfulfill
For the Civil Explosive (%)	%	Drop 10%	Dropped 15.3%	Overfulfill
For the Mining (T/t product)	T/t product	2.80	2.68	Achieved

²³ Total Freshwater Consumption = Total Freshwater Withdrawal – Total Water Discharge (including industrial and domestic wastewater)

²⁴ Alternative Water Withdrawal: Refers to the total volume of water obtained from sources other than municipal supply or groundwater, such as rainwater harvesting systems, mine pit inflows, and reclaimed water.

²² Recycled Water: Refers to water that is reused multiple times within on-site water circulation systems, including recirculated cooling water and process water reused throughout production.

Packaging management

The Company has implemented a comprehensive strategy focused on packaging reduction, reusability, and the use of recyclable alternatives, effectively improving resource efficiency and reducing environmental impact.

01

Packaging reduction and optimization design

- Lightweight Design
- In the packaging of lithium, Civil Explosive, and other products, lightweight high-strength materials are used. The outer box of packaging uses double-layer micro-corrugated paper instead of the traditional three-layer cardboard, and the weight of a single box is reduced by about 10%.
- Reduce Packaging
- Reduce lining, gasket, and other auxiliary materials, optimize the use of packaging space, and improve transportation efficiency.

02

Application of reusable and recyclable packaging materials

- Reusable containers
- Replace disposable logistics bags with reusable plastic turnover boxes or steel frame boxes. By 2024, the reuse rate of turnover boxes will increase by about 20%, reducing disposable packaging waste.
- Environmentally friendly materials can be recycled
- In the packaging of parts of Civil Explosive and mining equipment, recyclable paper pulp molding is used to replace traditional plastic fillings, reducing non-degradable waste.
- Internal recycling
- In the logistics and warehousing stage, the Company has established a "unpack-collect-reuse" process, under which intact packaging materials and fillers are systematically recovered and reused, enabling internal circular management.

In 2024, the lithium business reduced cardboard consumption by 20 tonnes per year, while the civil explosives segment reduced plastic waste by 15 tonnes. By promoting the use of reusable turnover boxes, the Company achieved annual cost savings of CNY 2 million and reduced packaging waste by 30 tonnes. Through continuous optimization of packaging management, the Company not only enhanced resource efficiency and reduced costs, but also effectively promoted green production and the development of a circular economy.



Packaging mode - optimization comparison chart

Biodiversity Conservation

The Company fully recognizes the importance of biodiversity conservation to the sustainable operations of both the chemical manufacturing and mining sectors, and strictly complies with the Convention on Biological Diversity and all applicable laws and regulations. At the Kamativi mining site in Zimbabwe, the Company conducted an ecological baseline survey, identified critical habitats and sensitive species, and adopted a progressive "mining and concurrent reclamation" model. In 2024, a total of 248 trees were planted, with plans to plant over 1,000 trees in 2025. A buffer zone has been established around the mining area. Controlled timing micro-delay blasting, dust and noise reduction technologies, and regular noise and particulate monitoring are employed to minimize ecological disturbance.



In the Lithium operations, the Company has reduced the use of chemical fertilizers and pesticides, preserved local vegetation, and planted approximately 10,000 square meters of greenbelt area in 2024. Monitoring stations have been installed across the facility to regularly assess soil and groundwater quality, ensuring ecological safety. In the civil explosives, the Company planted 1,521 trees and approximately 200 square metres of greenery in 2024, and implemented backfilling and soil compaction measures to control soil erosion.

Throughout the reporting period, no significant adverse impacts on biodiversity were identified across any of the Group's production and operational activities, reflecting the Company's continued commitment to ecological protection and social responsibility.



04

HEALTHY & SAFETY

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Objectives and Accountability

Goals

The Group has established an integrated occupational health and safety (OHS) management system that covers all business units. For high-risk segments—such as lithium operations, mining, Civil Explosives operations, blasting engineering services, and hazardous chemicals logistics—the Group implements a tailored three-level safety risk classification and control mechanism. All contractors are incorporated into the OHS management system and are required to comply with the Group's health and safety policies.

In 2024, the Group invested CNY 59.54 million in Health & Safety, representing a 13.6% increase compared to 2023. The Company set clear annual safety targets of "zero major safety incidents, zero fatalities, and zero newly diagnosed statutory occupational diseases," while also formulating a long-term 2030 safety vision tailored to the risk profiles of each business segment. The Group has achieved zero work-related fatalities and zero new statutory occupational disease cases for three consecutive years. The Lost Time Injury Rate (LTIR) has steadily improved, decreasing from 1.29 in 2022 to 1.21 in 2024, demonstrating continuous progress in key safety performance indicators.

Targets for 2024

- Major production safety incident: 0 cases
- Work-related Fatalities: 0 cases
- New Statutory Occupational Disease Cases: 0 cases
- Rectification Rate of Identified Safety Hazards: 100%

Goals for 2030

- Group - The lost time injury rate (LTIR) is below 1.25;
- Segement - Million-hour lost time injury rate (LTIR):
 - For the Lithium ≤1.20
 - For the Mining ≤1.53
 - For the Civil Explosive ≤1.00
 - For the Transportation ≤1.10

The mining segment was included in the ESG report for the first time, as the project transitioned from construction to the operational phase in 2024. During the year, four minor injury incidents occurred among a workforce of 419 employees. The Lost Time Injury Rate (LTIR) reached 4.59 per million work hours, which is higher than that of other business segments within the Group. Moving forward, the company will continue to strengthen safety management and ensure the implementation of safety performance targets.

Safety Indicators	Target	Actual value			Achievement
		2024	2023	2022	
Work-related Fatalities ²⁶	0	0	0	0	Achieved
Major Safety Incidents	0	0	0	0	Achieved
Occupational Diseases	0	0	0	0	Achieved
The Lost-time injury rate (LTIR) ²⁷	1.25	1.21	1.22	1.29	Achieved
For the Lithium	1.20	1.14	1.14	2.95	Achieved
For the Civil Explosive	1.00	0.66	1.34	0.95	Achieved
For the Transportation	1.10	0.93	1.70	0.00	Achieved
For the Mining	1.53	4.59	NA	NA	Not achieved

Mechanism

The Group adheres to the safety policy of "Safety First, Prevention-Oriented, and Comprehensive Management" and upholds the philosophy that "Safety is the Greatest Benefit." Focusing on strengthening the "two fundamentals"—grassroots management and foundational practices—the Group continuously carries out targeted safety initiatives. Key safety indicators such as the number of incidents and the hazard rectification rate are integrated into safety performance evaluations and linked to compensation and performance incentives.



A hierarchical system of accountability is in place, whereby the Group, business units, subsidiaries, departments, and frontline teams each sign the *Yahua Group Safety Target Responsibility Agreement*, ensuring that safety responsibilities are assigned at every level. This system reinforces a culture of safety across the organization and promotes the continuous improvement of employees' safety awareness and competencies.

²⁶ Work-related fatalities: The death of a worker arising from an occupational disease or injury sustained or contracted while performing work that is controlled by the organization or that is being performed in workplaces that the organization controls. Which contains Full-time employees, Short-term Employees, and Contractors.

²⁷ LTIR= (Number of lost-time injuries) / (Total hours worked in accounting period) x 1'000'000

Management System

Systems

The Group has developed 15 core safety management policies—such as the *Yahua Group Safety Management Measures and the Yahua Group Safety Production Responsibility System*—based on ISO 45001, GB 33000, and other applicable standards. These serve as unified guidelines for all business units. Each business segment establishes and continuously improves its safety management system in line with operational realities and conducts annual legal and regulatory compliance assessments to ensure adherence.

Business	Institutional system construction
The Lithium	Yan'an Lithium and Blossom Lithium have respectively formulated 45 systems (10 revised by Yan'an Lithium and 22 revised by Blossom Lithium in 2024), while Guoli Corporation has formulated 28 systems (6 revised by 2024).
The Mining	KMC has developed 30 new regulations by Zimbabwean laws and ISO 45001, and Rarlton Corp has developed 20 new regulations.
Civil Explosive	The group level, 33 systems have been formulated for the production business (225 systems will be revised by each company in 2024), and 55 systems have been formulated for blasting business (121 systems will be revised by each company in 2024), with a coverage rate of 100%.
Transportation	Transport companies have formulated 25 regulations (six to be revised in 2024), and transport companies have put in place 457 regulations (84 to be revised in 2024), covering 100% of the ISO 45001 system, and formulated subcontractor management measures.

Certifications

By the end of 2024, all domestic operations had passed the national Safety Standardization Assessment and met the compliance requirements. The ISO 45001 Occupational Health and Safety Management System certification coverage reached 71%. Operations that have not yet been certified are undergoing phased improvements to ensure full certification in the future. For the Lithium Operations, 3 facilities have obtained certification, achieving 100% coverage. For the Civil Explosives, 10 Operations have been certified, with a coverage rate of 91%. The certification of Tongda Company has been included in the 2025 annual plan, and the coverage rate for this segment will reach 100%. The mining operations have completed system development and are currently in pilot operation; certification is also scheduled for 2025. Upon completion, coverage will reach 100%. In the transportation, four subsidiaries have obtained certification, representing a 50% coverage rate.

71%ISO 45001 system certification rate



ISO 45001 system certification

Organization

The Board of Directors holds overall responsibility for occupational health and safety (OHS) across the Group. At the operational level, the Group has established a multi-tiered safety management structure centered around the Work Safety Committee.

The Group's President and legal representative, Mr. Men, serves as the primary responsible person and is accountable for the achievement of Yahua's safety objectives. Business unit leaders and the Office of the Work Safety Committee are responsible for day-to-day oversight. Through quarterly safety meetings and a digital safety management platform, the Group ensures closed-loop management of safety hazards.

Organizational structure diagram of safety management

Group Work Safety Committee (GSC)

The highest decision-making body for operational safety, chaired by the President. It is responsible for reviewing safety strategies and approving major policy decisions.

Safety and Technology Center (Office of the GSC)

As the executive arm of the GSC, this center is responsible for safety technology management, day-to-day oversight, specialized safety inspections, and performance evaluation across the Group.

Safety Committees of the Civil Explosives/ Business Units

Responsible for safety management within the business unit, alignment with the Group's Work Safety Committee, implementing the Group's safety management policies, and achieving assigned safety performance targets.

Safety Management Departments

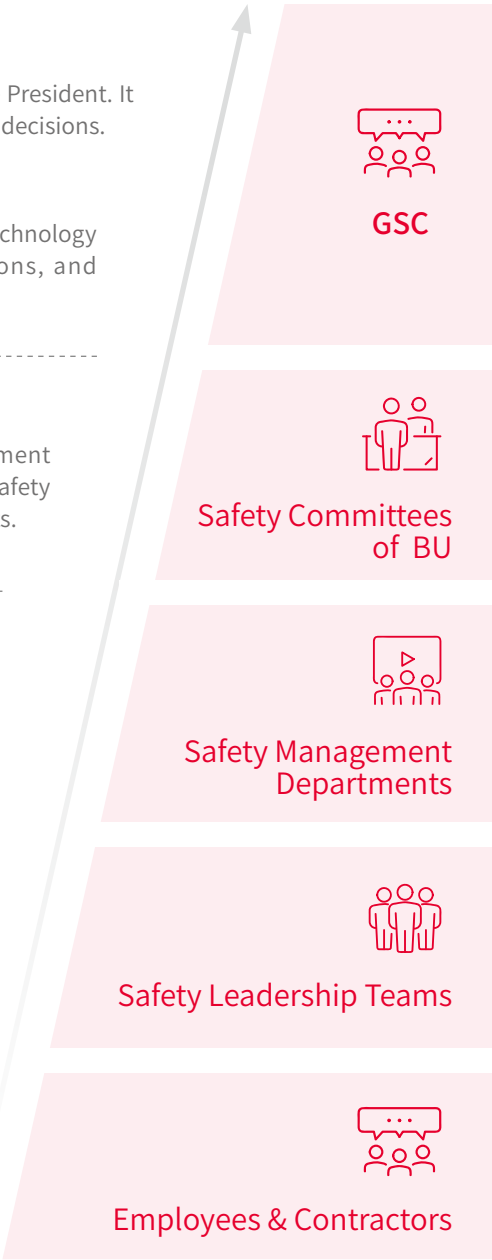
Acting as the local offices of the Safety Committee, these departments are responsible for risk identification, hazard investigation and rectification, safety training, and performance monitoring.

Departments / Workshop Safety Leadership Teams

Responsible for routine safety inspections and hazard rectification, on-site emergency response drills, and day-to-day safety management.

Employees & Contractors

Expected to follow safety operating procedures and proactively report potential safety hazards.



Practices and Implementation

Risk Control & Prevention

OHS Risk Control

In 2024, the Group identified 126 new safety risks and formulated 463 new risk control measures. An expert team was organized to conduct cross-reviews of the risk registers compiled by each Lithium operation, resulting in 68 revision suggestions, of which 63 were adopted. In the civil explosives segment, random checks were conducted to assess employees' understanding of identified risks and corresponding control measures, with an overall accuracy rate of 90%.

90%

Overall accuracy rate



Safety Risk Identification Activities

Emergency Preparedness

Each subsidiary of the Group has developed risk control measures and emergency response procedures for abnormal operating conditions based on its identified safety risk register. Comprehensive, specialized, and on-site emergency response plans have been revised and refined to ensure alignment with actual operating conditions and to enhance their practical effectiveness.

Abnormal Conditions and Non-Routine Tasks

Each subsidiary of the Group has conducted a comprehensive bottom-up review of production processes and job functions to identify potential non-routine operations.

For each identified scenario, specific emergency response measures and execution procedures have been developed, reviewed through a tiered approval process, and then communicated and implemented across relevant teams. The Group also conducts periodic spot checks and comprehensive inspections to assess employee understanding and compliance with these procedures. To enhance operational clarity and standardization, a total of 102 standard operating procedure (SOP) videos were recorded—8 for lithium operations and 94 for civil explosives operations.

102

Standard Operating Procedure (SOP) videos



Standard Operating Procedure (SOP) videos

Safety Implementation Measures

On-site Environment Improvements

Lithium Operations carried out 7S on-site safety management and special rectification actions targeting leaks, spills, drips, and emissions. Ya'an Lithium completed the rectification of 106 potential safety risks, while Guoli Corporation completed 18.



7S on-site safety management

Risk Investigation and Management

The Group conducted quarterly comprehensive safety inspections and monthly video inspections across lithium operations, identifying 445 potential safety risks throughout the year. In the Civil Explosives segment, a total of 1,181 potential safety risks were identified through on-site and video inspections, supported by 35 additional site inspections to ensure full coverage. The Blasting Services Division, through specialized safety acceptance reviews, identified 243 potential safety risks and issued 86 safety reminders.

Lithium and Mining operations conducted both general and targeted safety inspections, identifying 2,496 hazards and achieving a 100% rectification rate. Daily inspections and employee self-checks revealed 22,185 hazards, all of which were fully rectified. A total of CNY 66,200 and USD 860 in safety bonuses were awarded to employees for proactive reporting and resolution.

Civil Explosives companies conducted 591 targeted safety inspections involving 2,661 personnel and identified 2,295 issues. Video inspections were well executed, with 2,772 issues uncovered, which were later incorporated into training case studies.

Blasting companies identified 21,193 hazards and rectified 20,896, achieving an on-time rectification rate of 98.6%. A total of 8,903 project-level safety inspections were conducted throughout the year, with safety incentives totaling CNY 130,940.

The transportation conducted 220 internal inspections and identified 525 hazards. An additional 110 external inspections identified 129 hazards, with a 100% rectification rate.

All safety issues identified were resolved through closed-loop corrective action, laying a solid foundation for stable and sustainable operations.



KMC, Rarlion Corp safety inspection

Emergency Drill

Throughout the year, the Group's subsidiaries conducted a total of 178 on-site emergency response drills, 26 comprehensive drills, and 74 specialized drills, aiming to strengthen capabilities in incident prevention, abnormal condition handling, and emergency rescue response. These efforts ensure that employees are well-prepared to respond effectively in critical situations. In 2024, the Mining and Lithium operations jointly organized 53 emergency drills, while Ya'an Lithium conducted 1,556 employee training sessions, ensuring effective risk control across all operational stages.

178

Specialized drills



On-site emergency disposal drills for abnormal conditions

26

Comprehensive drills



74

Specialized drills



KMC, Rarlon Corp emergency drill



Special Safety Campaigns

Yahua has developed a comprehensive action plan to enhance employees' safety awareness and competencies. This includes refining safety protocols, standardizing 7S management, conducting job-specific risk identification, promoting employee-led safety inspections and rectifications, implementing rotating safety officer roles, advancing job standardization practices, and introducing a behavior-based safety performance points system. These initiatives aim to foster a strong safety culture at the team level and effectively eliminate and prevent various safety incidents.

Table: Safety performance index in 2024

Safety Index	Lithium	Industrial Explosive	Mining	Transportation
Total Recordable Injury Rate (TRIR) ²⁸	1.14	0.66	4.59	0.93
Severe Incidents ²⁹ (cases)	0	0	0	0
Moderate Incidents ³⁰ (cases)	1	0	0	0
Minor Incidents ³¹ (cases)	1	3	4	1
Safety training (participants)	1,350	10,393	419	13,587
Safety training Coverage (%)	100%	100%	100%	100%

²⁸ Total Recordable injuries Rate (TRIR) = (Number of recordable injury incidents × 1,000,000) ÷ Total work hours. TRIR refers to the number of recordable work-related injury events, including fatalities, lost time injuries, job transfer cases, or work restrictions. It covers both permanent and temporary employees within the company.

²⁹ Severe Incidents: Sum of Extra-major, Major, and Serious safety accidents as defined by PRC State Council Decree 493/GB 6441.

³⁰ Moderate Incidents:Includes General Safety Accidents, Category I-III under GB 6441.

³¹ Minor Incidents: Includes General Safety Accidents, Category IV-VI, First-aid Cases, and Near-miss Incidents.

Training and Awareness

Safety Training

A total of 25,749 attendances were recorded safety training was delivered across the Group, covering all employees. Training content included three-tier safety education, risk identification, retraining after work resumption, incident case studies, and specialized work safety skills. In the Lithium and Mining, training was provided to both new hires and existing employees, with 776 new employee training sessions and 6,442 attendances recorded in specialized training sessions conducted. In the civil explosives, a monthly training program was implemented, including incident case studies and team leader qualification training, with a total of 529 sessions and 11,144 attendances recorded. These efforts ensured full coverage and continuous enhancement of safety awareness and operational capabilities across all employees.



JiYang company carried out the "first Safety class in 2024"



Safety training activities

key performance

176,936 hours

Total Cumulative Hours of Safety Training Provided

100%

Occupational Health and Safety Training Rate

Safety Culture

Through years of practice in workplace safety, the Group has developed a distinctive Yahua safety culture, which has effectively enhanced the overall standard of safety management. This culture has significantly improved employees' safety knowledge, awareness, and operational skills, providing strong support and assurance for the Group's safe production throughout the year.



Safety manual and handbook

Practice Certification

Throughout the year, 119 safety management personnel and 141 frontline team leaders participated in professional safety certification examinations, achieving pass rates of 90% and 94%, respectively. Notably, 10 individuals passed the national Certified Safety Engineer (CSE) examination, significantly enhancing the professional competency of the management team.



Occupational Certification Exam for Safety Management Professionals



Occupational Certification Exam for Frontline Team Leaders via online platforms

Occupational Health

In accordance with *the Yahua Group Occupational Health Management Policy*, the Company conducts continuous monitoring of dust, noise, high temperatures, and toxic substances, and performs annual testing of occupational hazard factors, followed by necessary corrective actions. All employees receive occupational health examinations, achieving a 100% participation rate.

The Company implements a full-cycle health examination system, covering employees at the time of onboarding, during employment, and upon exit. No new cases of statutory occupational diseases were reported during the year. Individual health records have been established for all employees, with 100% coverage. In 2024, the Group invested CNY 1.977 million in occupational health protection.



Ya'an Lithium awarded 1st Prize in "Workplace Safety Month" and "Ankang Cup" Competition

key performance

100%

Occupational Health Examination

100%

Occupational Health and Safety Training

Chemical Management

Governance Mechanism

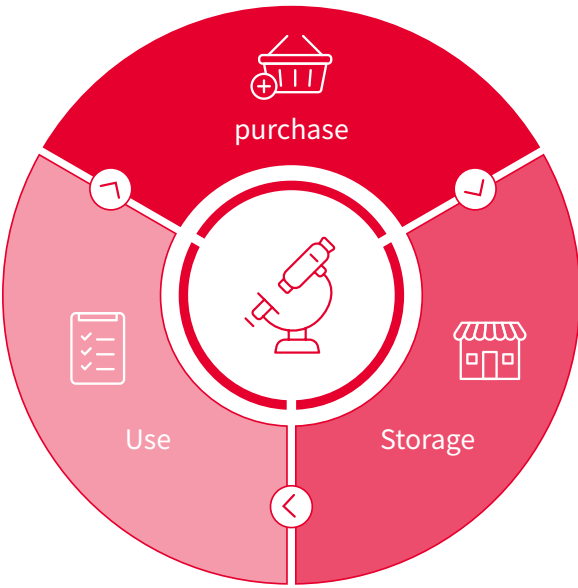
The Company has established a comprehensive chemical safety management system across its domestic and international operations by applicable local laws and regulations. The *Yahua Group Chemical Safety Management Policy* has been formally issued to guide implementation across the organization.

The Company regularly updates both *the Yahua Group Guidelines for the Procurement, Storage, and Use of Chemicals* and *the Emergency Response Plan for Hazardous Chemicals*, ensuring compliance in the identification, classification, approval, storage, use, and disposal of all chemicals. All hazardous chemicals are subject to supplier audits before procurement, and procurement volumes are strictly controlled. Each year, the Group commissions third-party assessments of its lithium salt products for compliance with RoHS and REACH regulations, ensuring alignment with international environmental and safety standards.

Lifecycle Management

Following *the Catalogue of Hazardous Chemicals*, the Company conducts full-lifecycle risk identification of hazardous chemicals. An electronic management system is used to unify the procurement, storage, and use of chemicals across operations. For chemicals classified as precursor chemicals, highly toxic substances, or those identified as major hazard sources, the Company enforces a strict "dual-personnel, dual-lock" control system. In 2024, a total of 53 chemical safety emergency drills were organized by the Group's mining and lithium subsidiaries.

Ya'an Lithium delivered 1,556 participants training related to chemical safety, ensuring effective risk control at all stages of chemical handling.



Reducing Environmental Impact

The Company adheres to strict chemical safety management principles and complies fully with relevant international regulatory requirements, ensuring that its products meet global safety and environmental standards. The latest test results show that lithium hydroxide monohydrate samples contain Substances of Very High Concern (SVHC) at concentrations $\leq 0.1\%$, meeting the requirements of the EU REACH Regulation. No hazardous halogen elements were detected, and the product complies with the EU RoHS Directive in terms of restricted substances, including lead, cadmium, mercury, hexavalent chromium, phthalates, polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs).

To minimize the environmental and health impacts of chemicals, the Company continuously optimizes its production processes. In the civil explosives, adjustments to the formulation of rock explosives have resulted in an annual reduction of 1,500 tonnes of sodium nitrate usage. Additionally, the substitution of NHN for DDNP has effectively reduced wastewater discharge and eased the burden on treatment systems. The Group is also actively promoting targeted initiatives to eliminate leaks, spills, drips, and emissions, while advancing automation and unmanned production line upgrades, thereby reducing direct human exposure and enhancing both intrinsic safety and environmental compliance.



REACH Test Report

RoHS Test Report

Halogen Content Test Report

05

TALENT STRATEGY &EMPLOYEE DEVELOPMENT

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Yahua adheres to the corporate values of *Integrity, Pragmatism, Rigor, and Approachability*, upholding a people-oriented approach and promoting fair and compliant employment practices. The Group is committed to protecting employees' physical and mental well-being, fostering a supportive work and living environment, and cultivating harmonious interpersonal relationships. It ensures the protection of employees' legitimate rights and promotes the joint growth of individuals and the company. In 2024, significant progress was made in areas including compensation and benefits, talent development, compliant employment, and diversity and inclusion, laying a solid foundation for enhancing the Group's overall competitiveness.

Equal Employment

Compliance Management

Yahua Group strictly complies with national labor laws and regulations, and formulates and implements a range of management policies covering recruitment, training, employment, performance, and compensation, by international human rights frameworks such as the *Universal Declaration of Human Rights (UDHR)* and the *United Nations Global Compact (UNGC)*. Suppliers and partners are required to adhere to the Responsible Business Alliance (RBA) Code of Conduct and relevant human rights protection laws.

The Group enforces rigorous employment compliance audits and continuously enhances its *human rights risk identification and management mechanisms*. In 2024, Ya'an Lithium successfully passed a second-party on-site audit conducted by a customer based on RBA standards, as well as a third-party certification audit under the RMI-ESG system. The company achieved excellent scores of 100 in the governance and 99 in the social Pillar. No complaints related to discrimination, harassment, forced labor, or child labor were reported during the year.



RMI-ESG Audit



RBA System Training

Diversity and Equal Opportunity

Yahua Group promotes a diverse, equitable, and inclusive (DE&I) workplace, ensuring that all individuals are treated fairly regardless of nationality, ethnicity, gender, age, or other characteristics. In 2024, the proportion of female employees in management roles increased to 21.5%, up 2.7% points from the previous year. The Group also employed 24 individuals with disabilities, reinforcing its commitment to inclusive employment practices. Employees are distributed across a range of business units and geographic regions. As of the end of 2024, Yahua Group employed a total of 5,254 people, including 739 foreign nationals (accounting for 14.1%) and 204 employees from 12 ethnic minority groups³² in China (representing 3.9%), demonstrating a diverse and multicultural workforce.

³² The minority ethnic groups represented include Tibetan, Korean, Dai, Hani, Hui, Li, Manchu, Mongolian, Naxi, Zhuang, Qiang, and Tujia, totaling 12 ethnic groups.

key performance

0

Discrimination or Harassment Complaints

5,254

Total Number of Employees

4

Employee Nationalities

12

The Minority Ethnic Groups

21.5% (+2.7 % YoY)

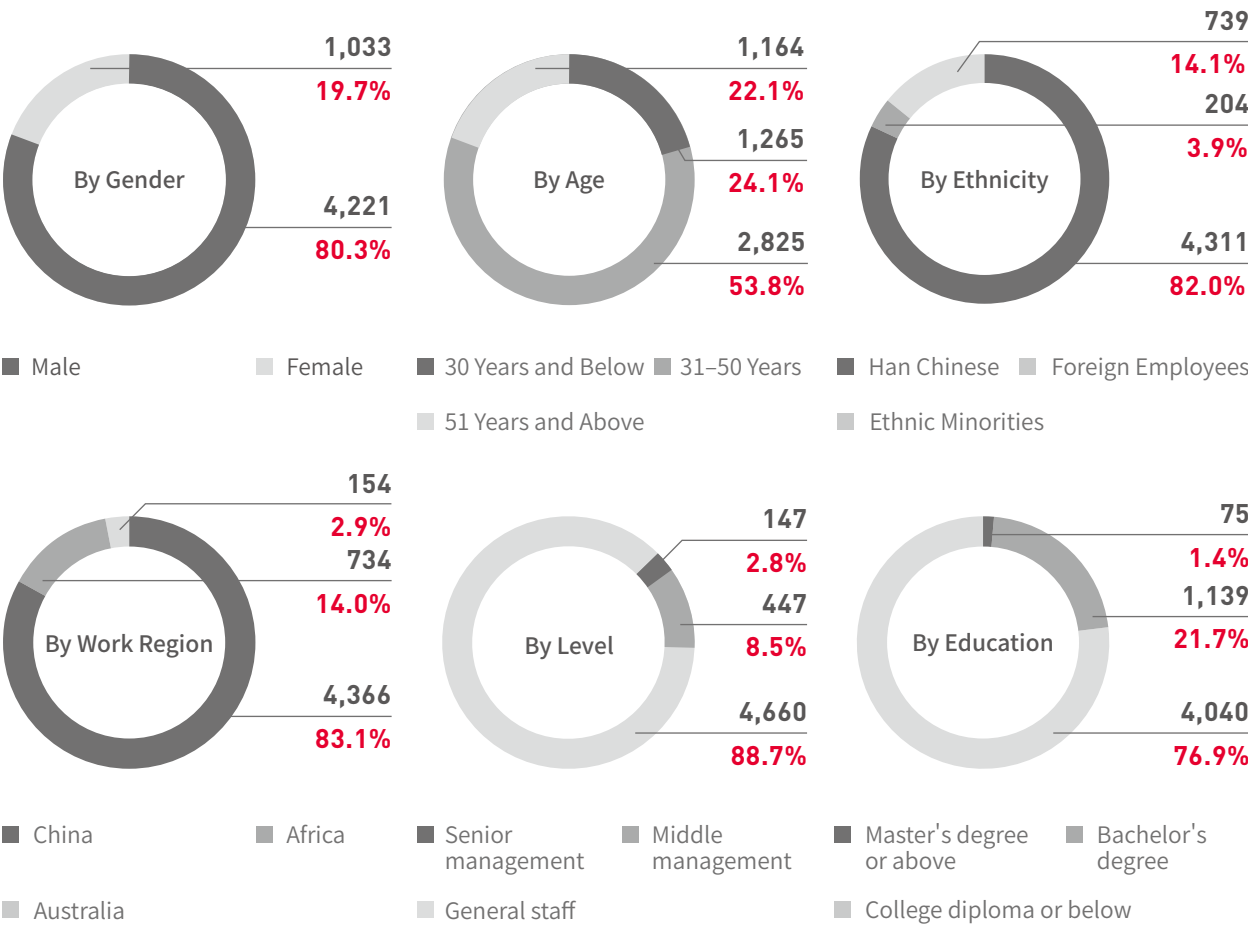
Proportion of Female Managers

739

Foreign Employees

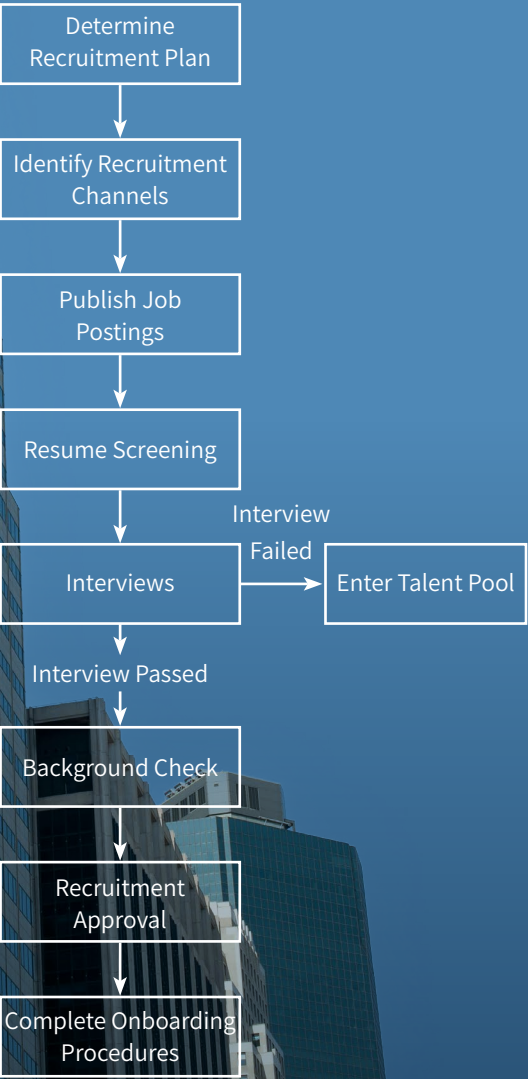
204

Minority Ethnic Employees



Talent Acquisition Recruitment Process

Yahua regards talent as its most valuable asset. Each year, beginning in the third quarter, the Group initiates the formulation of the following year's Human Resources Recruitment Plan, setting clear recruitment targets and talent development strategies. Throughout the recruitment process, which includes needs assessment, résumé screening, interview evaluation, background checks, and hiring approval, the Group upholds strict employment compliance reviews, ensuring that all practices align with labor laws and international human rights standards. Child labor and forced labor are strictly prohibited at every stage of the hiring process.



University–Enterprise Collaboration and Global Recruitment

The Company continues to enhance its employer brand recognition in the talent market by actively recruiting top-performing students from universities ranked within the top 200 in the QS World University Rankings. Domestically, Yahua Group has established deep industry-academia partnerships with institutions such as Central South University, Sichuan Agricultural University, Anhui University of Science and Technology, Southwest University of Science and Technology, and Chengdu University of Technology. These collaborations include joint postgraduate and postdoctoral training programs, as well as internships and field practice opportunities, providing sustained talent support for frontier technology and innovation-driven research.

In its overseas operations, the Group strictly adheres to the labor laws and regulations of each operating country, offering local employees social insurance, benefits, and leave entitlements in full compliance with legal requirements. In 2024, Yahua's active and compliant global recruitment framework once again earned the trust and recognition of its international clients and partners.



Best Employer Recognition

In 2024, Yahua Group received ZPIN's 'Best Employer Finalist Award,' recognizing its excellence in attracting and nurturing high-caliber talent while advancing workforce sustainability—a key pillar of its ESG strategy.



Compensation & Benefits

Compensation Management

Yahua Group implements a differentiated compensation structure tailored to the characteristics of various business segments and job functions. The structure includes base salary, performance bonuses, project incentives, and technological advancement awards. In addition, the Group has established long-term incentive mechanisms such as executive equity plans and restricted stock units (RSUs), enabling key management personnel and high-performing employees to share in the Company's growth and success.

Compensation	Total compensation increased by 0.71% year-over-year, with average salary per employee rising by 3.4%.
Insurance	Total social insurance contributions increased by CNY 4.96 million, representing a 6.86% increase per capita.
Benefits & Care Funds	Expenditures on employee welfare and care rose by CNY 3.29 million year-over-year, with a per capita increase of 11.56%.

Employee Benefits

The Company provides employees with a diverse range of benefits, including transportation subsidies, meal allowances, staff dormitories, and fieldwork allowances. In addition, a charity fund has been established to support employees facing financial difficulties. According to the 2024 employee satisfaction survey, the overall satisfaction rate with compensation and benefits reached 94.2%, representing a 1.2 percentage point increase compared to the previous year.

01 Annual Health Checkups	Comprehensive physical examinations are provided to all formal employees in China who have been with the Company for six months or more, based on industry-standard medical packages. Employees are also offered optional upgrades at below-market prices. Preferential packages are additionally available for employees' spouses, children, and parents, which can be purchased voluntarily.
02 Occupational health Examinations	For employees covered under China's national occupational health requirements, the Company arranges and pays for mandatory annual health checks at certified medical institutions.
03 Overseas Travel Insurance	Overseas business travelers and expatriates are covered by corporate-paid international travel insurance, which provides personal injury protection across multiple countries and regions.

- 04

Allowances and Subsidies

Factory employees receive meal subsidies; commuting shuttles are arranged based on travel distance. Shift workers are provided with dormitories, and university graduate employees in the lithium segment are offered talent apartments. Field personnel receive site-based allowances and outdoor work subsidies.
- 05

Employee Care Fund

The Company has established an Employee Care Fund to support staff members facing financial hardship or suffering from serious illnesses.
- 06

Birthday and Holiday Gifts

Employees receive birthday allowances, holiday bonuses, and seasonal gift packages each year as part of the Company's employee care initiatives.



Engagement and Communication

We encourage employees to actively provide suggestions and feedback through various channels, including youth forums, management research sessions, and staff exchange meetings. In 2024, the Chairman and senior management team visited 23 subsidiaries, conducting in-depth interviews with employees—a total of 953 participations—and collected 130 actionable suggestions, all of which have been implemented or addressed.

Talent Strategy

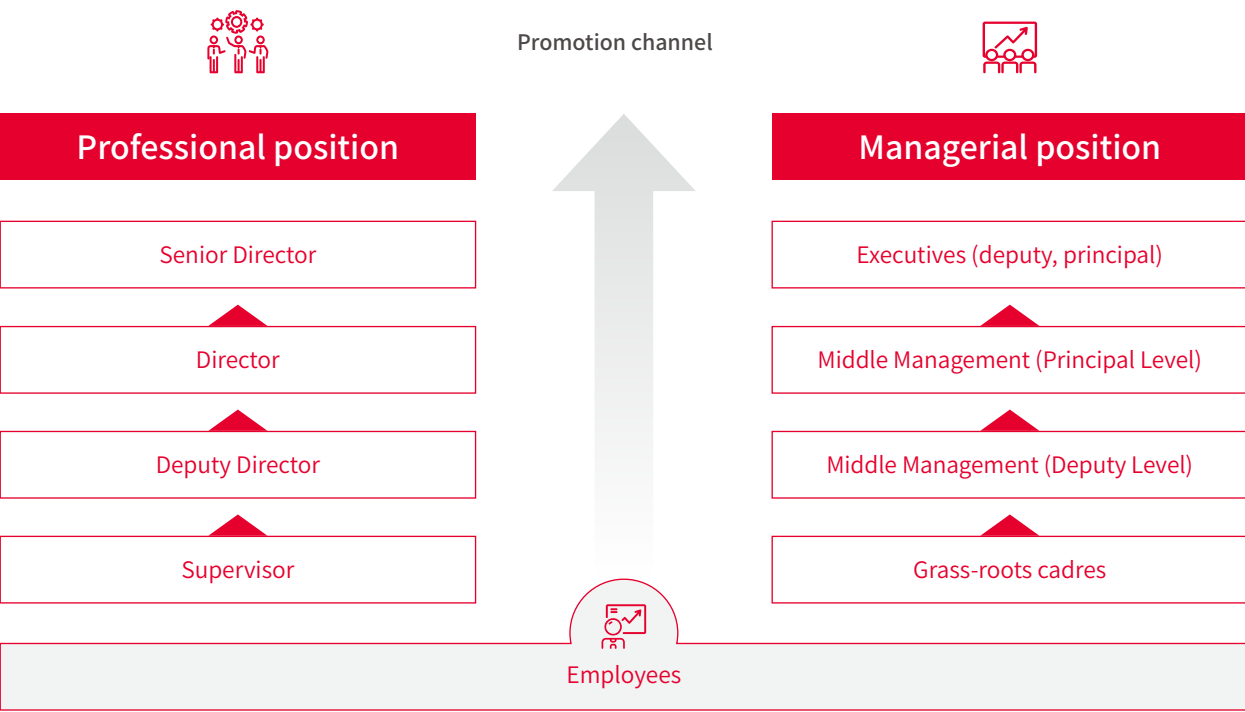
Incentive Mechanism

The Group continuously enhances its performance-based evaluation system, which integrates multi-dimensional assessments and links evaluation results to salary adjustments, promotions, and rewards. In 2024, the Group disbursed a total of CNY 51.10 million in employee performance incentives and implemented salary increases totaling CNY 3.15 million. Meanwhile, the Group revised policies such as the Yahua Group Executive Equity Incentive Plan, improving the flexibility and fairness of incentive coverage and mechanisms.

Career Matrix

Yahua Group has established a dual career development path for both administrative and technical professionals, encouraging managers and specialists to achieve value growth in their respective fields. The Company adopts a "competitive selection" mechanism, using tools such as open competition, evaluation assessments, and peer reviews to identify and promote middle and senior-level talent. In 2024, the Group's headquarters and 18 subsidiaries conducted leadership reappointments, promoting 117 employees through competitive selection processes.

117 people
Employee promoting



Learning & Development Systems

Institutional System

Based on the Group's training principles of *learning culture, technology, business, management, and law*, Yahua has established a comprehensive training system that combines online and offline learning, covering all employees and business areas. The framework includes onboarding training, professional skills development, certification programs, leadership training, and international business training. In 2024, the training coverage rate reached 100% across the organization.

Development Mechanisms

The Company implements a multi-tiered talent development model that integrates onboarding training, young talent programs, and development for reserve and expert-level talent. This is supported by job rotation, targeted mentorship, and instructor-led training.



In 2024, the 19th "Young Eagle Training Camp" welcomed 195 new employees, with a conversion rate (successful probation completion) of 91.4%. In September, the Group organized a centralized training Programme for mid-senior level managers and succession candidates, with a total of 515 participants. By the end of 2024, the Group had completed professional certification for 864 management and technical personnel and skills qualification assessments for 826 frontline operational staff. In parallel, the Group conducted a company-wide satisfaction survey, which reported an overall satisfaction rate of 99.1%.



The 19th "Young Eagle Training Camp"



Leadership Training Programme for Management Cadres

In 2024, the Company invested a total of CNY 5.0 million in employee training. A total of 32,575 training attendances were recorded, with 268,109 cumulative training hours delivered and an average of 51 training hours per employee. Training coverage for overseas employees increased significantly during the year.



Practice-level certification of technical talent



Skill level appraisal of Grass-roots cadres

Total Participants in Employee Training

5,254

► By Gender			
	26,171 participants	6,405 participants	
	Male	Female	
► By Level			
	912 participants	2,772 participants	28,892 participants
	Senior management	Middle management	General staff

Employee Training Coverage Rate

100%

► By Employment Level			
	100%	100%	100%
	Senior management	Middle management	General staff

Total Training Hours

268,109

► By Employment Level			
	7,733 hours	30,173 hours	230,204 hours
	Senior management	Middle management	General staff

Average Training Hours per Employee

51

► By Employment Level			
	52.6 hours	67.5 hours	49.4 hours
	Senior management	Middle management	General staff

Total Training Expenditure 5.0 Million

06

VALUE CHAIN STEWARDSHIP & CUSTOMER COMMITMENT

- Product Quality Management 83
- Customer Stewardship 86
- Responsible Supply Chain Management 89

Yahua Group upholds the philosophy that *"customer needs define our quality standards."* The Group continuously advances technological innovation and enhances a comprehensive quality management system to consistently deliver high-quality products that meet and exceed customer expectations.



Product Quality Management

Management System

Yahua Group strictly adheres to the ISO 9001 Quality Management System, while its lithium segment also complies with the IATF 16949 Quality Management System standards. The Group’s quality management framework covers the entire product lifecycle—including R&D, supply chain, production, sales, and after-sales services—and is supported by a four-tier communication mechanism³³ across executive, managerial, technical, and operational levels, ensuring effective quality control and cross-functional coordination at every stage.

In 2024, over 300 technical and quality-related procedures were newly established or revised across the Group, including more than 160 for lithium operations and 140 for civil explosives, ensuring greater standardization and process optimization. A total of 21 internal quality audits were conducted, covering all manufacturing sites and functional departments, alongside 18 external audits. All identified non-conformities were promptly corrected and passed re-evaluation, supporting the continuous improvement and compliance of the Group’s quality management system.



Certification System

As of the end of 2024, multiple business units within Yahua Group had obtained ISO 9001:2015 certification, while the Lithium achieved IATF 16949 certification for automotive quality management systems. The Ya'an Lithium Testing Center was accredited as a CNAS-certified national laboratory, demonstrating internationally advanced testing capabilities. Test reports issued by the center are globally recognized under the mutual recognition framework of international accreditation bodies.



National Laboratory Accreditation Certificate



ISO 9001 Certificate



IATF 16949 Certificate

Overview	Business Unit	Certification coverage
ISO 9001:2015	Lithium Operations	3 companies certified, achieving 100% coverage.
	Civil Explosive Operations	10 companies certified, representing a 91% coverage rate. The remaining site has been included in the 2025 certification schedule.
IATF 16949:2016	Lithium Operations	2 companies have obtained certification under the automotive quality management standard. (Ya'an Lithium & Guoli Corporation)
ISO/IEC 17025	Lithium Operations	The Testing Center of Ya'an Lithium has been accredited with the CNAS (China National Accreditation Service) certification, confirming its qualification as a national-level laboratory.

³² four-tier communication mechanism: refers to structured engagement across executive, managerial, technical, and operational levels, enabling seamless alignment and feedback throughout the value chain.

To ensure that its product quality management system complies with applicable regulations and international standards, Yahua Group has implemented a systematic set of compliance measures.

01

Quality Objectives and Periodic Review

Company-wide reviews are conducted annually to ensure alignment between the quality management system and the Group's strategic objectives.

02

Internal Quality Audits and External Certifications

In 2024, the Company completed 18 external audits and 21 internal audits, with relevant process documents updated promptly to reflect findings and best practices.

03

Quality Training and Employee Engagement

Annual training programs on the quality management system are conducted, achieving a training coverage rate of 98% in 2024.

04

Supply Chain Quality Control

All key suppliers are subject to annual quality audits, and a pre-qualification compliance review is conducted for selected high-risk suppliers.

Lifecycle Management

We implement lifecycle quality management across the entire value chain, encompassing raw material procurement, in-process production quality control, finished product inspection and shipment, non-conforming product handling, and after-sales customer service and tracking. In 2024, the inspection pass rate for key raw materials reached 98%, while lithium salt products maintained a 100% pass rate upon final inspection before shipment. No major product returns due to quality issues were reported during the year.

Quality Performance

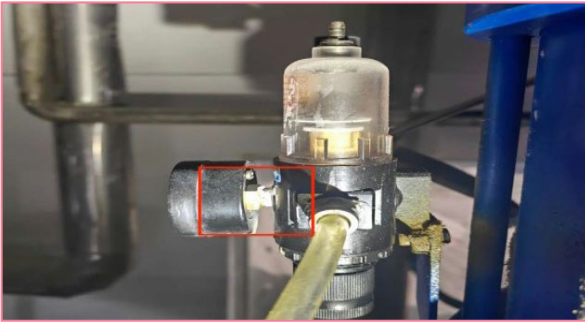
The Company sets clear quality objectives and applies continuous monitoring throughout all stages to ensure product quality and customer satisfaction. By optimizing production processes and enhancing employee training, the Group has achieved notable improvements in overall quality performance.

Quality indicators	Target	2024	Reached	Instructions
Product Acceptance Rate (%)	≥ 98	99	Completed	Increase production efficiency through process optimization.
Number of Customer Complaints (cases)	≤ 20	7	Achieved	Continuous improvement of product and service quality.
Complaint Resolution Rate (%)	100	100	Achieved	Respond to and resolve customer complaints quickly.
Product Quality Inspection Pass Rate (%)	100	100	Achieved	Optimize inspection methods to improve inspection accuracy.
Customer Satisfaction Rate (%)	≥ 95	98	Achieved	Quality-specific activities to improve customer satisfaction.

In 2024, the Company implemented several quality improvement initiatives, including projects such as "Reducing Slag-Carried Lithium", "Foreign Matter Reduction and Product Enhancement", and "Optimisation of Product Testing Methods." The battery-grade lithium hydroxide monohydrate (D1 grade) proportion maintained an annual average of 98%.Magnetic impurities were controlled below 15 ppb, copper and zinc colorimetric indicators met client acceptance criteria, and the number of metal particles decreased by 33.3% compared to the previous year.



Cleanliness Control Room



Copper and Zinc Contaminant Control

Ya'an Lithium has incorporated quality improvement initiatives into its KPI evaluation system, encouraging company-wide participation in quality management. In 2024, a total of 975 quality improvement suggestions were submitted, of which 249 were adopted. This significantly enhanced employee engagement and enthusiasm in driving quality excellence.

Content	Method	Measures
First Pass Yield (FPY) of Production Line	Production line yield is assessed monthly. Lines failing to meet targets are required to implement process improvements.	Employees or teams that meet performance targets receive incentive bonuses, while those falling short are required to participate in targeted training programs.
Defect Rate Tracking and Review	Quality defects occurring during the production process are systematically recorded and reviewed on a quarterly basis.	Teams with low defect rates are rewarded, while teams with higher defect rates undergo performance optimization or structural adjustments.
Process Quality Inspections	Monthly assessments are conducted based on the results of process quality inspections to ensure ongoing compliance and improvement.	Employees who violate quality management protocols during inspections are subject to performance deductions, whereas those demonstrating excellence may receive positive performance credits.
Employee-Driven Quality Suggestions	Employees are encouraged to submit rationalized quality improvement suggestions, with submissions reviewed and adopted quarterly.	Employees whose quality improvement suggestions are adopted receive monetary rewards and internal recognition.

Quality Training Programs

The Company enhances employees' quality awareness and operational skills through dedicated quality campaigns and regular training programs.



JMS and EDS Testing Skills Training Conducted by the Inspection Center



Foreign Matter Control Knowledge Training

Training Schedule	Methods	Coverage	Content
Specialized Quality Training for Lithium	Online + Offline	Management, Production Line Employees, Quality Inspectors, and Technical Support Teams	A total of 26 trainings were organized, covering ISO 9001 quality management system, APQP, Statistical Process Control (SPC), MSA, foreign body control, etc.
Oil Phase Knowledge Training for Civil Explosives	Online + Offline	Process Quality Technicians Inspection Personnel	Around the oil phase, use and testing of two aspects, a total of more than 80 people from various companies participated in the training.
Audit Training for ISO Management Systems	Offline	Process Quality Technicians System Management Personnel	Jiyang Company invited Beijing Global Certification Co., Ltd., three system teachers from other provinces to train for 1 time.

Customer Stewardship

Customer Service

Yahua Group is committed to improving its service level through a comprehensive customer service system, and has formulated a systematic management system to ensure that it provides customers with continuous and optimized services before, during, and after sales.

Mechanism	Management and control dimension
Customer Complaint Management Procedure Customer Satisfaction Measurement and Control Procedure	Covering all business of the group to ensure that the whole process of customer demands can be traced;
Quality Complaint Handling Policy for Lithium Quality Incident Management Policy for Lithium	Specific system for the Lithium industry to ensure that customer demands can be traced and a timely response.
Customer Relationship Maintenance Procedure for Blasting Service	Focus on the Civil Explosive group to ensure that the safety needs and compliance requirements of customers are strictly controlled.
Customer Service Management Regulations for the Transportation	Taking into account customer needs and safety standards during high-risk transportation.

In 2024, the Company upgraded its "Lithium Customer Quality Information Platform" to enhance the efficiency and responsiveness of customer feedback management. Through ongoing customer visits and a four-tier communication mechanism³⁴, the Company ensures the timely collection and resolution of client feedback, driving continuous improvement.

◆ Pre-sales service:

The Company conducted 23 quality benchmarking activities with customers and hosted on-site audits from 16 clients, including BYD, BTR New Energy Materials, and BASF Shanshan. All issues identified during the audits have been fully rectified.



Customer On-site Audit

◆ After-sales service:

Company leadership led quality visits to 32 key customers, during which 105 improvement suggestions were discussed and implemented, further enhancing overall customer satisfaction.



Customer Quality Visit Initiative

Customer Response

The Company conducts regular customer satisfaction surveys covering key dimensions such as product quality, response time, and technical support. In 2024, the overall customer satisfaction score improved from 97.32% to 97.99%, reflecting the Company's ongoing efforts toward continuous improvement. Feedback was primarily focused on packaging enhancements and product quality specification alignment, for which dedicated improvement initiatives have already been launched.

In terms of complaint handling, Yahua Group strictly enforces a rapid response mechanism. All customer complaints and concerns received in 2024 were resolved within 48 hours, achieving a 100% satisfaction rate for complaint resolution.

³² The four-tier communication system covers senior management, middle management, technical teams, and business units.

Communication Mechanism

To better understand customer needs and enhance service quality, Yahua Group has established a diversified customer communication framework. This is particularly important in areas such as mining and blasting services, where customer requirements for safety and regulatory compliance are especially critical.

Measures	Content
01 Diversify Communication Channels	Through telephone, email, online customer service platform and other ways, customers can easily express their needs and feedback problems.
02 Regular Feedback Mechanism	According to the special needs of customers, regular online meetings and data feedback to ensure continuous improvement of product quality and service.
03 Customer Profile	Establish detailed customer files, record customer technical indicators, packaging requirements, etc., to ensure efficient management and accurate information transfer.

Through these communication mechanisms, Yahua Group can timely capture market dynamics and customer needs, optimize service strategies, improve customer satisfaction, and ensure that customers get a quality experience and continuous support in the cooperation process.



key performance

97.99%

Customer Satisfaction Rate

7

cases

Product Quality Complaints

100%

Complaint Resolution Rate

23

sessions

Customer Quality Benchmarking Activities

16

sessions

Customer On-Site Audits

32

companies

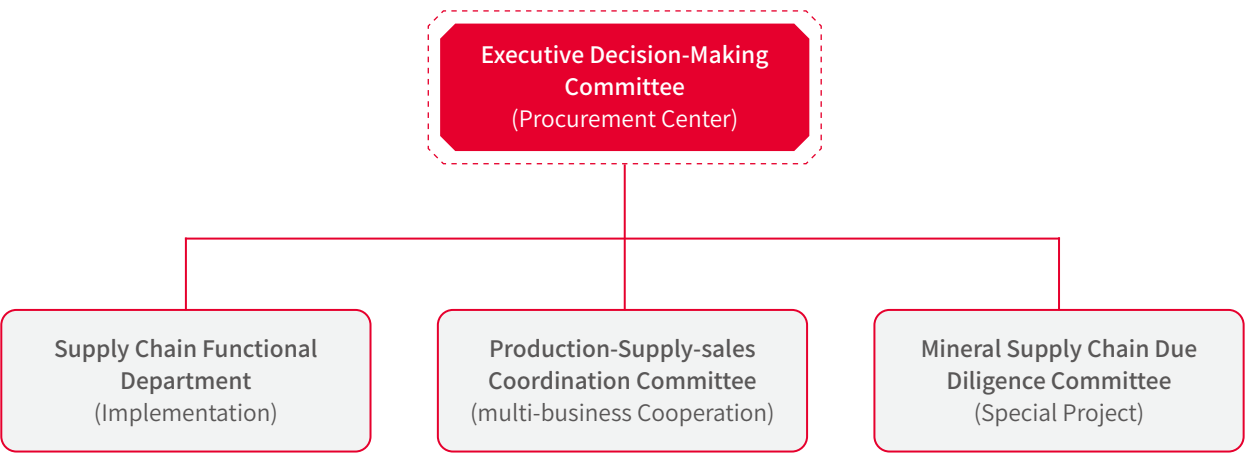
Key Customer Quality Visits

Responsible Supply Chain Management

Yahua Group is committed to a supply chain philosophy rooted in green, efficient, and transparent management. The Group has established a diversified, full-lifecycle supply chain system to foster collaborative development and shared responsibility with its supply chain partners.

Management System

We had established an Executive Decision-Making Committee responsible for supply chain strategy planning and the management of key suppliers. Each business unit is equipped with a centralized procurement execution team to ensure effective resource integration and demand coordination. In addition, a Responsible Mineral Supply Chain Management Committee has been formed to address issues related to labor standards and conflict-related sourcing, while promoting the development of supplier codes of conduct and risk control mechanisms. In 2024, the Group maintained business relationships with 1,143 suppliers, with 92.4% based in mainland China and 7.5% from overseas. The Company has signed long-term cooperation agreements with major suppliers to ensure supply chain stability and resilience.



key performance

1,143

Total number of suppliers in 2024

1,056

Mainland Chinese suppliers

1

Hong Kong, Macao and Taiwan suppliers

86

Overseas suppliers

Compliance Procurement

Since 2023, all new domestic suppliers have been required to sign the *Yahua Group Integrity Agreement for Material Procurement*, achieving a 100% signing rate. In 2024, Yahua Group had 265 Tier-1 suppliers, among which 249 underwent ESG risk assessments. The Group also formulated the *Yahua Group Supplier Management Guidelines* and the *Green Procurement and Sustainable Supply Chain Management Policy*, establishing a zero-tolerance stance toward suppliers involved in child labor, forced labor, and other human rights violations.

Supply Chain Management (Compliance + Risk)	2024
Signed the Yahua Group Supplier Integrity Agreement suppliers	1,143
Proportion of Suppliers that Signed the Yahua Group Supplier Integrity Agreement (%)	100
Number of Tier-1 Suppliers Assessed for ESG Risks	249
Proportion of Tier-1 Suppliers Assessed for ESG Risks (%)	94

Supplier Management

Access & Audit

In 2024, Yahua Group assessed 72 potential suppliers, of which 15 passed the evaluation process, resulting in an admission rate of 20.8%. Quarterly audits were conducted on raw and auxiliary material suppliers, focusing on quality, delivery, pricing, and service performance.

A total of 35 on-site supplier audits were conducted during the year, representing a 20% increase compared to the previous year. All 37 improvement recommendations raised during these audits have been fully implemented.



Training on Business ethics and anti-corruption compliance policies for suppliers

Risk Management and ESG Assessment

The Group has established a four-level early warning mechanism and conducts spot inspections to identify and address potential risks within its supply chain. In 2024, the Group identified two suppliers with supply quality risks and one material with single-source supply risk, all of which have since undergone corrective actions.

Table: Yahua supply chain risk response model

Contents	Measures
 Raw material supply risk	• Disruption of raw material supply due to environmental or regulatory issues at the supplier’s end. • Supply interruptions are caused by reliance on single-source suppliers. • Cost fluctuations are driven by raw material price volatility. • Establish supplier qualification and audit mechanisms, and conduct regular evaluations of supplier credentials and ESG performance. • Develop diversified supplier channels to reduce reliance on single-source suppliers. • Sign long-term contracts to lock in pricing and supply volumes. • Build shared information platforms with suppliers to enhance supply chain transparency.
 Production and operation risks	• Production stoppages resulting from equipment failure or aging. • Insufficient raw material inventory is impacting production schedules. • Safety hazards during production processes can lead to potential incidents. • Regularly maintain and upgrade production equipment, and implement emergency maintenance plans. • Set safety stock levels for key raw materials to prevent production disruptions. • Develop standardized operating procedures and implement safety training programs.
 Risk of disruption of logistics transportation	• Non-compliance with hazardous materials transport permits or vehicles. • Transportation disruptions due to natural disasters or policy changes. • Product damage or loss during long-distance transit. • Collaborate with compliant third-party logistics providers and regularly assess their service capabilities. • Develop alternative transportation routes and emergency logistics contingency plans. • Purchase insurance for hazardous materials in transit to mitigate loss risks.
 Compliance/safety risks	• Non-compliance with regulations governing hazardous material production and transportation. • Failure to pass ESG compliance audits affects ongoing business relationships. • Additional costs or production halts caused by newly introduced regulations. • Monitor and implement new regulatory requirements promptly. • Conduct regular internal and third-party compliance audits to ensure adherence to industry standards. • Promote employee training on compliance and safety awareness to reduce operational risks.

Table: Scoring dimension of Yahua Supply chain ESG access audit

Evaluation dimension	Requirements
 Quality Management	• Establish an effective quality management system. • Obtain ISO 9001 or equivalent third-party certification. • Conduct product quality inspections and issue quality reports. • Set quality objectives and implement continuous improvement activities.
 Health, Safety, and Legal Compliance	• Comply with applicable laws and regulations on chemical production, mining safety, and fire protection. • Obtain occupational health and safety certifications, such as ISO 45001. • Establish safety management structures (e.g., a Safety Production Committee). • Ensure proper production, storage, and transportation of flammable and explosive hazardous materials. • Comply with relevant information security requirements.
 Business Ethics and Anti-Corruption	• Establish an internal anti-corruption compliance management system. • Enforce strict employee discipline, prohibiting bribery, fraud, unfair competition, and all forms of corruption. • Include anti-corruption and compliance clauses in contracts with employees, suppliers, and other stakeholders.
 Environmental Protection	• Comply with national and regional environmental laws and regulations. • Obtain environmental management system certifications such as ISO 14001. • Assess the environmental impacts of production processes and products. • Promote energy-efficient and low-emission production methods. • Maximize the reuse and recycling of packaging materials. • Encourage suppliers to produce recyclable and environmentally friendly products. • Prioritize procurement of green materials with recyclability, low pollution, and low emissions.
 Labor Practices	• Comply with national labor laws • Ensure legal employment practices; child labor and forced labor are strictly prohibited

ESG Assessment	2024
Total number of suppliers and contractors assessed for ESG performance	35
Suppliers are evaluated through self-assessment forms or on-site audits	28
Suppliers identified with significant actual or potential negative ESG impacts	2
Suppliers that implemented corrective action plans	2
Non-compliant suppliers with whom cooperation was terminated	0
Suppliers that implemented improvement measures and received technical support from Yahua	14

Supplier Training

In 2024, the Group provided training to 138 suppliers, covering key topics such as labor standards and environmental protection, with a total of 339 participants. In addition, Yahua organizes annual anti-corruption and integrity awareness programs. All suppliers are required to sign the Code of Business Ethics, which is reaffirmed by management representatives from both parties within the supplier agreement.

Initiatives	Specific Measures
On-site Training	Targeted training sessions are delivered through audit-based and meeting-based formats, aimed at improving suppliers' management capabilities and operational standards.
SRM Training	Online training is conducted via the Supplier Relationship Management (SRM) platform to ensure suppliers are proficient in using the system for effective collaboration.
On-site Engagement	In-person engagement activities are organized for e-commerce-type suppliers (e.g., Xin fang sheng) to foster experience sharing and cooperation among suppliers.
Anti-Corruption Training	As part of the four-tier supplier relationship initiative, Yahua promotes its anti-corruption culture comprehensively. Core suppliers sign an Integrity Agreement, formally reaffirmed by senior management from both parties.
ESG Training	ESG-related training is integrated into on-site supplier audits, covering areas such as social responsibility, safety, environmental protection, occupational health, quality, carbon reduction, and procurement. For instance, Ya'an Lithium provided foreign matter control training to pallet suppliers Pu Feng and Xin Xuan Sheng, and FIBC supplier Xin Er Tai.

Responsible Minerals

The Group strictly adheres to the relevant OECD guidelines and has fully implemented the Responsible Minerals Assurance Process (RMAP) standards under the Responsible Minerals Initiative (RMI). The Company has successfully obtained both RMI-RMAP and RMI-ESG certifications. Through continuous optimization of its due diligence procedures and risk mitigation strategies, the Company has established end-to-end monitoring of all lithium-containing raw materials, with no major compliance risks identified to date.



Ya'an Lithium was awarded both the RMI–RMAP and ESG certifications

In 2024, Ya'an Lithium was awarded both RMI–RMAP and RMI–ESG certifications. During the reporting period, the Group conducted three training sessions on responsible mineral management, covering all relevant departments, which enhanced internal compliance awareness and provided systematic guidance to supply chain partners. The Company also regularly publishes a Supply Chain Due Diligence Report to ensure information transparency and facilitate stakeholders' understanding of the latest progress.

Supply Chain Digitalization

Yahua Group actively promotes innovation in digital procurement. The Group's SRM (Supplier Relationship Management) platform is fully integrated with WMS, OA, and SAP systems to enable comprehensive lifecycle management of suppliers. In 2024, the SRM system was deployed across 13 core manufacturing entities. The number of centrally procured material categories on the Yahua Procurement Mall expanded from 2,300 to over 20,000, significantly improving both efficiency and transparency in supply chain management.



Yahua SRM System

07

TECHNOLOGY & INNOVATION

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Strengthening Research & Development Capabilities

R&D system

Platform Development

The Group has established a multi-tiered technology innovation network, led by its National Enterprise Technology Center and supported by provincial- and municipal-level technology centers across its subsidiaries. Currently, the Group operates one national enterprise technology center, seven provincial-level enterprise technology centers, one postdoctoral innovation practice base, and two CNAS-accredited testing and calibration laboratories, covering the entire value chain, including lithium salt production, lithium mining, explosives manufacturing, detonator production, and engineering blasting services. In 2024, Mianyang Company, Keda Company, and Jinheng Company were recognized as National High-Tech Enterprises, providing strong support for scientific research and innovation in their respective fields.



R&D Talent Team

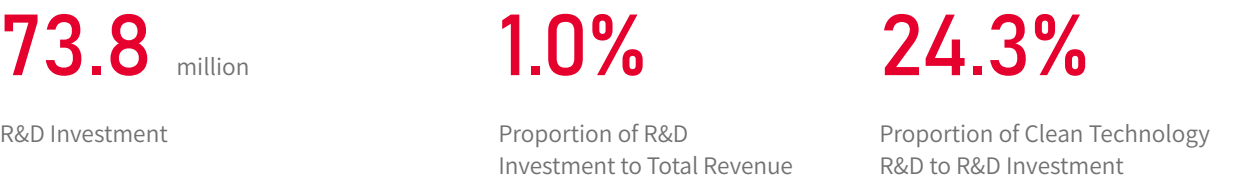
The Group has established five major technical research centers dedicated to lithium processing, lithium mining, explosives, detonators, and blasting, each supported by specialized research laboratories responsible for product, process, and equipment R&D. Additionally, five digital transformation departments have been set up for lithium, explosives, detonators, mining services, and transportation, driving the Group's digitalization efforts across all business units. In 2024, the Group recruited 10 new R&D personnel, including 1 PhD holder, bringing the total number of R&D staff to over 781, among whom more than 110 hold senior engineer or higher-level professional titles. These resources have laid a solid foundation for the Group's ongoing technological innovation.

Yahua Group is supported by a team of renowned industry experts, contributing to both national and sector-specific standardization efforts. 1 member of the Rare Metals Subcommittee under the National Technical Committee for Nonferrous Metals Standardization (*Yan Meng*); 1 member of the Carbon Emissions and Low-Carbon Standardization Working Group (*Xiaoqi Yue*); 2 experts in the Lithium Industry Expert Database of the China Nonferrous Metals Industry Association; 2 recipients of the Outstanding Contributor to Nonferrous Metals Standardization award. In the civil explosives sector, the Group has 2 experts appointed to the Expert Advisory Committee on Civil Explosives under the Ministry of Industry and Information Technology (*Zhongguo Gao, Hui Lin*); 2 experts serving on the Standardization Technical Committee for Civil Explosives under the Ministry of Industry and Information Technology (*Shengyan Xie, Chunpei Ren*).

R&D Investment

In 2024, Yahua Group invested CNY 73.8 million in research and development, accounting for 1.0% of its total revenue. 24.5% was allocated to clean technology-related R&D, with a focus on green lithium salt extraction, high-value utilization of metallurgical waste, intelligent mining operations, and advancements in the automation, unmanned operation, and intrinsic safety of industrial explosives and pyrotechnic materials. These efforts reflect the Group's strategic emphasis on green and intelligent manufacturing. The Group has also improved internal innovation governance by refining the *Yahua Group Three-Tier Project Management Guidelines* and the *"Five Innovations" Management System*, thereby optimizing the processes for project initiation and results commercialization.

Looking ahead, the Group will continue to increase investment in areas such as efficient lithium salt recovery, clean blasting, smart mining equipment, and green mining, with the goal of steadily increasing the proportion of revenue derived from clean technologies, driving industrial upgrading, sustainable development, and the transition toward a technology-driven enterprise.



Industry-Academia-Research Collaboration

Yahua Group collaborates with universities such as Central South University, Sichuan Agricultural University, and Nanjing University of Science and Technology to advance industry-academia-research integration. In 2024, multiple subsidiaries received funding support from national, provincial, and municipal science and technology programs.



Technological Innovation

Innovation Achievements

In 2024, the Group initiated and implemented 145 scientific research projects, covering a wide range of areas including deep processing of lithium salts, mining operations, energetic materials, and industrial detonators.

145

Scientific research projects held

National-Level Projects

The projects *"R&D and Industrial Application of Electronic Detonator Safety and Reliability Technologies"* and *"Research and Application of Lithium Sulfate Solution Resin-Based Calcium Removal Equipment and Process Technology"* successfully passed final acceptance evaluations.

In terms of internally initiated projects, the Group completed the *R&D and application of ignition components and intelligent assembly production lines for electronic detonators project*, which was awarded the 1st Prize for Scientific and Technological Progress by the China Industrial Explosives Industry Association.



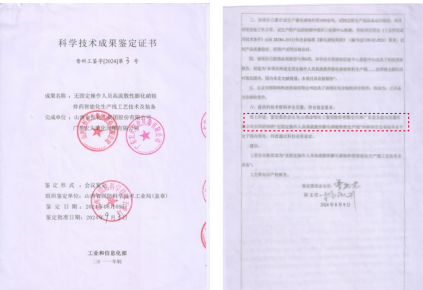
Research and Application of Lithium Sulfate Solution Resin-Based Calcium Removal Equipment and Process Technology



R&D and Industrial Application of Electronic Detonator Safety and Reliability Technologies

Provincial-Level Projects

The self-initiated project, *Intelligent Production Line for Highly Dispersible Emulsified Ammonium Nitrate Explosives Without Fixed Operators*, has reached a leading level within China.



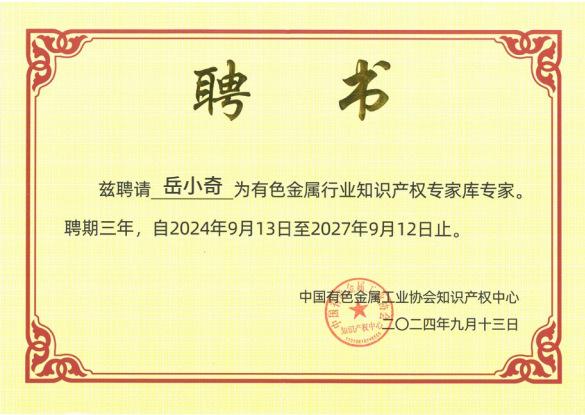
Intellectual Property Protection

In 2024, Yahua obtained 13 new invention patents, 52 utility model patents, and 3 software copyrights. By the end of the year, Yahua held a total of 693 national patents, including 119 invention patents. These patents are primarily concentrated in the fields of lithium salt deep processing, automation of hazardous processes, and initiation systems, providing strong support for the Company's core competitiveness.

Patent Performance Indicators	Units	2024	2023	Y-o-Y
Number of Invention Patents Applied in Core Business Areas	items	119	106	12.3%
Number of Invention Patent Applications Filed This Year	items	38	15	153.3%
Number of Invention Patents Granted This Year	items	13	13	0
Total Number of Valid Patents (Cumulative)	items	693	625	10.9%
Number of Valid Patents Related to Clean Technology R&D	items	197	175	12.6%

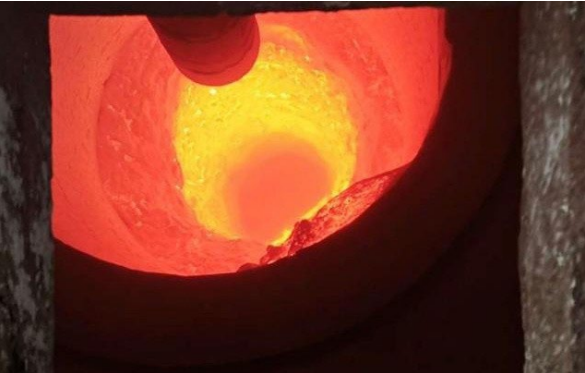
Innovation Case Studies

Yahua places great importance on intellectual property (IP) protection and has established a dedicated team composed of several industry-recognized experts. Among them are five professionals selected for the Expert Database of the Nonferrous Metals Industry for Intellectual Property: Xiaoqi Yue, Jiahua Tang, Xingwang Dong, Jiang Zhao, and Yuyan Gao.

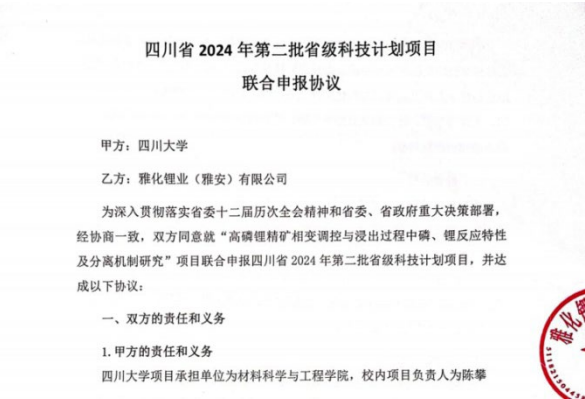


Technological Innovation Cases

Ya'an Lithium: Collaborated with Sichuan University to tackle the challenge of lithium extraction from high-phosphorus spodumene concentrate, broadening the Group's lithium resource supply channels.



Guoli Corporation: Enhanced the purity of lithium salt products through advanced deep demagnetization and non-metallic impurity removal technologies.



Jinheng Company: Achieved full digital integration in its intelligent production line for highly dispersible emulsified ammonium nitrate explosives without fixed operators, reducing human-machine interaction risks and improving production capacity.



Mianyang Company: Detonating cord-based electric detonator successfully passed the 1.4-class hazardous materials transportation assessment, laying a solid foundation for Yahua's detonator products to enter markets in Southeast Asia, Africa, and Central Asia, and for the export of electronic detonators.



Technological Achievements

Lithium

Ya'an Lithium achieved a 0.08% YoY reduction in lithium oxide content within slag-bound lithium by improving and optimizing processes and equipment involved in acidification, cooling, and leaching. Guoli Corporation completed technical upgrades to its acidification kiln and established an automated control system for the metallurgical section, enabling precise control and optimization of process temperatures across each stage, resulting in a 19% YoY reduction in electricity consumption. Blossom Lithium focused on mother liquor reuse and quality control, successfully reducing unit product energy consumption by 28%.

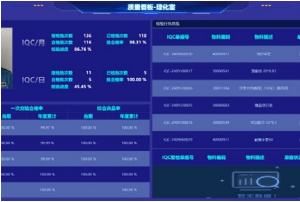


Civil Explosive

Mianyang Company advanced the construction of its smart factory, achieving key functionalities such as basic automated production scheduling, real-time data acquisition and integration across business processes, refined warehouse and materials management, end-to-end process and quality control, equipment-level management, and remote data monitoring. These efforts laid the foundation for its transformation into a model intelligent manufacturing facility. Jinheng Company completed a technical upgrade of its expanded ammonium nitrate explosive production line, while Keda Company implemented an automated control system upgrade for its boiler operations. Jiyang Company finalized the construction of its Phase II fully automated production line for 10 million electronic detonators annually, enabling the full deployment of its production capacity. This project successfully addressed the challenges of continuous and unmanned production for high-risk operations, significantly enhancing intrinsic safety. With a high level of automation, the facility also enables comprehensive traceability and control across the entire production process.



Anti-Caking Technology Improvement for Modified Ammonium Nitrate-Fuel Oil (ANFO) Explosives



Smart Manufacturing System Implementation



Acceptance of the Technical Upgrade Project for the Production Line of Bulk Emulsion Explosives (Including Emulsified Granular ANFO)



Technical Upgrade and Acceptance of Supporting Facilities for Latex Matrix Production

Leading Industry Advancement

The Group and its subsidiaries have actively participated in the verification and drafting of 11 standards in the fields of civil explosives and lithium salts, providing strong technical support for clean lithium extraction and safety management of hazardous processes. In the civil explosives sector, the Group contributed to six standards, such as the *Test Method for Bend Resistance of Industrial Detonators*. In the lithium sector, the Group participated in the development of five standards, such as *Recycled Lithium Raw Materials*, *Chemical Analysis Methods for Lithium Carbonate*, *Lithium Hydroxide Monohydrate*, and *Lithium Chloride*. Ya'an Lithium led the formulation of the standard *Technical Requirements for Intelligent Production of Lithium Hydroxide*, further promoting the advancement and application of standards in the nonferrous metals industry.



08

COMMUNITY ENGAGEMENT



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Yahua Group never forgets its role as a responsible corporate citizen. The Group actively engages in disaster relief, contributes to people's livelihood projects, supports community welfare programs, and strives to alleviate poverty and promote human development. It is committed to addressing the needs of disadvantaged groups in healthcare, education, and housing, fulfilling its social responsibility through corporate-community co-construction, and advancing shared prosperity with local communities.

Serving National and Community Needs

Leveraging its business strengths, Yahua Group actively participates in infrastructure development, emergency response and disaster relief, and contributes to national projects involving railways, highways, and foundational infrastructure. The Group maintains close communication with government bodies and local communities, making tangible contributions to the economic development and social stability of supported regions.

Remaining fully aware of its corporate citizenship, the Group is deeply committed to disaster relief efforts, public welfare infrastructure projects, and community engagement initiatives. It supports poverty alleviation and promotes human development, with a particular focus on healthcare, education, and housing for disadvantaged populations. Through corporate-community co-construction, Yahua fulfills its social responsibilities and advances mutual prosperity with the communities it serves.



Sichuan-Tibet Railway Construction



Emergency Response Volunteer Team

In response to Zimbabwe's call to "leave no place and no one behind," KMC directly created over 300 local jobs through direct employment and indirectly generated more than 1,000 additional job opportunities in surrounding communities. This initiative aligns with the Company's development strategy and plays a positive role in promoting local economic prosperity and social stability.



Public Welfare Initiatives

While pursuing economic performance, Yahua Group remains steadfast in fulfilling its social responsibilities. The Group actively responds to national initiatives on poverty alleviation and rural revitalization, participating through a variety of channels and approaches. In 2024, Yahua Group and its subsidiaries made significant contributions to local economic and social development through financial support, educational donations, and other initiatives. A total of 2,687 volunteer hours were dedicated to public welfare activities; CNY 596,000 was invested in charitable programs; 15 community outreach events were organized; CNY 1.5 million was donated externally.

Yahua Group has long been committed to social responsibility. In response to China's national poverty alleviation strategy, the Group actively participated in Ya'an "Yun Plan" and immediately donated CNY 200,000 to the Ya'an Welfare Foundation, contributing to improving employment conditions for people with disabilities.

Yahua's subsidiary Yahong (Kang Neng), based in Ganzi Prefecture, took swift action in emergency rescue and post-disaster reconstruction, fulfilling its corporate responsibility by donating CNY 200,000 to the Kangding City Red Cross Society to support recovery efforts after the flash flood and mudslide in Rizhi Village, Guzan Town.



In 2024, Yahua Group subsidiaries organized over 10 public welfare activities, including blood donation drives and environmental awareness campaigns, putting corporate social responsibility into practice and giving back to society. These actions reflect Yahua Group's positive, energetic, and socially responsible corporate image, and contribute to the advancement of public welfare.



KMC actively fulfills its social commitments and responsible mining principles. In Zimbabwe's Kamativi community, KMC established the China-Zimbabwe Friendship Scholarship, offering financial awards to outstanding students. This initiative demonstrates the company's philosophy of shared growth with local communities, while also deepening friendship between China and Zimbabwe.



As a locally listed company in Ya'an, Yahua Group responded swiftly to the flash flood and mudslide disaster in Hanyuan County by donating CNY 1 million to the Hanyuan County Red Cross Society to support emergency response, disaster relief, and post-disaster reconstruction. The Group also mobilized its emergency response team, standing ready to contribute to local rescue efforts.



In 2024, KMC donated over 70 tons of grain to the Kamativi community in Zimbabwe to address food shortages caused by drought, benefiting more than 2,700 local residents. Through concrete actions, Yahua fulfilled its role as a responsible enterprise, supporting the sustainable development of local communities.



Building Harmonious Communities Together

Yahua Group upholds its corporate responsibility by actively contributing to local well-being alongside its business development. The Group is committed to serving local communities, supporting social development, and creating tangible value for society, fostering a harmonious, civilized, and healthy living environment.

Before establishing any new facility, each subsidiary of the Group conducts comprehensive assessments of ecological and community impacts and formulates plans to mitigate environmental disruption, particularly regarding local soil and ecosystems. Yahua maintains proactive communication with local governments and indigenous communities to determine appropriate plant siting and minimize interference with daily life, thereby safeguarding the rights and interests of indigenous populations.

KMC actively supports the educational, cultural, and economic development of the Kamativi region in Zimbabwe. By continuously fulfilling its corporate social responsibility, KMC has donated a total of USD 84,670 to support the renovation of local schools and community infrastructure. These efforts have not only improved the quality of education but also inspired students, strengthened community cohesion, and enhanced the overall vitality of the region. Looking ahead, the company will continue to invest more resources and energy to support the sustainable development of the community.

84,670

 USD

Total funds donated for repairs



KEY PERFORMANCE INDICATORS

Economic Performance

Indicators	Units	2024
Revenue	Million	7,715.7
Net Profit Attributable to Shareholders of the Listed Company	Million	257.1
Basic Earnings per Share (EPS)	CNY / share	0.22

Governance performance

Board of Directors	unit	2024
Number of board members	person	9
Number of female directors	person	2
Board meetings held	times	9
Compliance training	Units	2024
Anti-corruption training	sessions	3
Anti-corruption training coverage	%	69.2
Board Training Coverage	%	100
Management Training Coverage	%	100
Employee Training Coverage (incl. frontline operators)	%	62.4
Critical-Position Training Coverage	%	100
Anti-corruption training time	hours	19,241
Average Anti-corruption training time per employee	hours/employee	3.7
Average Anti-Corruption Training Hours per Director	hours/director	6.5
Average Anti-Corruption Training Hours per Manager	hours/manager	7.3
Average Anti-Corruption Training Hours per Employee	hours/employee	3.2
Number of Anti-Corruption training personnel	participations	5,974
Risk management training	sessions	10
Legal & regulatory training	sessions	9

Environmental Performance

I. Discharge of air pollutants	unit	2024	2023	2022
Exhaust emissions				
Total emissions	Tons	100.2	40.1	43.5
Total intensity (x10 ⁻⁵)	T/t product	10.3	7.9	10.1
Sulfur oxides (SO _x)				
Total emissions	Tons	26.1	8.7	4.5
Total intensity (x10 ⁻⁵)	T/t product	2.7	1.7	1.0
Nitrogen oxides (NO _x)				
Total emissions	Tons	41.7	25.4	28.6
Total intensity (x10 ⁻⁵)	T/t product	4.3	5.0	6.7
Total Particulate Matter (PM)				
Total emissions	Tons	32.3	6.0	10.4
Total intensity (x10 ⁻⁵)	T/t product	3.3	1.2	2.4
II. Water pollutant	Units	2024	2023	2022
Total Domestic Wastewater	Tons	26,829	24,427	24,507
Total Industrial Effluent	Tons	0	0	0
Chemical oxygen demand (COD)	Tons	0.42	0.53	0.48
Suspended solids (SS)	Tons	0.11	0.14	0.14
Ammonia nitrogen emissions (NH ₃ -N)	Tons	0.05	0.05	0.04
III. Non-hazardous waste	Units	2024	2023	2022
Total Mine Waste (100 % Safely & Compliantly Disposed)	Tons	15,678,608	NA	NA
Total By-products from Lithium Operations (100% Reused / Recycled)	Tons	518,641	381,747	283,060
Total Non-hazardous Waste Generated	Tons	2,384	1,896	1,314
Non-hazardous Waste Generated Intensity (x10 ⁻⁴)	T/t product	24.5	37.6	30.6
Non-hazardous Waste Generated Recycled	Tons	1,496	1,223	759
Non-hazardous Waste Generated Recycling Rate	%	62.8	64.5	57.7
IV.Hazardous waste	Units	2024	2023	2022
Total hazardous waste	Tons	85.1	64.7	59.9
Hazardous waste intensity (x10 ⁻⁵)	T/t product	8.8	12.8	13.9

V. Energy	Units	2024	2023	2022
Energy consumption	MWh	907,499	672,269	515,842
Energy intensity	MWh/t product	0.93	1.33	1.20
Direct energy consumption	MWh	648,477	462,229	353,154
Natural Gas	MWh	473,337	341,957	250,276
Diesel	MWh	128,069	107,190	82,781
Cleaned (Washed) Coal	MWh	37,405	2,962	11,817
Liquefied Natural Gas (LNG)	MWh	5,781	5,896	4,430
Raw Coal	MWh	2,167	2,650	2,602
Gasoline	MWh	1,719	1,574	1,247
PV panel	MWh	74	NA	NA
Indirect energy consumption	MWh	259,023	210,039	162,688
Purchased Electricity	MWh	257,479	210,039	162,688
- Among them, Renewable (Green) Electricity	MWh	166,072	179,204	155,386
Purchased Heat/Steam	MWh	1,543	NA	NA
Clean-Energy Consumption	MWh	639,409	521,161	405,663
Share of Clean-Energy	%	70.5	77.5	78.6
VI. Greenhouse gas emissions	Units	2024	2023	2022
GHG emission intensity	t CO ₂ e/t product	314,872	230,300	176,915
GHG emissions	t CO ₂ e	0.32	0.46	0.41
Direct GHG emissions (Scope 1)	t CO ₂ e	167,588	113,055	86,224
Indirect GHG emissions (Scope 2)	t CO ₂ e	147,284	117,245	90,692
Value-chain GHG Emissions (Scope 3) *	t CO ₂ e	578,172	NA	NA
VII. Resource use	Units	2024	2023	2022
Fresh water source				
Total Water Withdrawal	Tons	2,491,732	1,291,737	1,180,527
Total Water Consumption	Tons	2,455,573	1,258,008	1,146,304
Total Water Discharge	Tons	36,159	33,729	34,223
Water-withdrawal Intensity	T/t product	2.56	2.56	2.75
Water-consumption Intensity	T/t product	2.52	2.49	2.67
Water-discharge Intensity (x10 ⁻⁴)	T/t product	372	669	796

Alternative Water Sources				
Alternative Water Withdrawal	Tons	1,004,346	142,835	87,868
Proportion in Total Water Withdrawal	%	28.7	10.0	6.9
Recycled water sources				
Recycled Water Utilized	tons	3,181	1,005	909
Water recycling rate	%	90.1	87.5	87.8
Package consumables				
Packaging material consumption	Tons	5,110	4,283	3,137
Packaging material Intensity (x10 ⁻⁴)	T/t product	52.5	84.9	73.0
VIII . Safety management		2024	2023	2022
Lost-time Injury Rate (LTIR) - Per million work-hours	cases	1.21	1.22	1.29
Fatalities	cases	0	0	0
Total Recordable Injury Rate (TRIR) - Per million work-hours	cases	1.21	1.35	1.29
Safety incidents				
Severe Incidents	cases	0	0	0
Moderate Incidents	cases	1	0	0
Minor Incidents	cases	9	11	10
Safety training				
Training Attendance	participants	25,749	28,169	20,837
Training Coverage Rate	%	100	100	100
IX. R & D Innovation	Unit	2024	2023	2022
R&D Intensity	%	0.96	1.31	1.13
R&D Expenditure	Million	73.8	155.5	163.9
Share of Clean-technology R&D	%	24.3	22.5	21.1
Research and development team				
Total number of R&D personnel	people	781	771	724
Share of R&D Personnel	%	14.9	15.2	16.1
Women in R&D	%	18.9	16.9	16.0
Number of National Science & Technology Awards	a	1	0	0
Number of Certified High-tech Enterprises	home	6	6	7

Intellectual Property protection				
Invention Patents Applied to Core Business Operations	patents	119	106	93
Invention-Patent Applications Filed (Annual)	patents	38	15	19
Invention-Patent Grants Received (Annual)	patents	13	13	14
Total Active Patents in Force	patents	693	625	544
Active Clean-technology Patents	patents	197	175	161
X. Product quality and service	Units	2024	2023	2022
Number of product recalls	Tons	4	9	3
Number of customer complaints	a	7	16	11
Complaint handling rate	%	100	100	100
Product outgoing quality inspection pass rate	%	100	100	100
Customer satisfaction	%	98.0	97.3	97.1
XI. Compliance management	Units	2024	2023	2022
Environmental Compliance Management				
Major Environmental Penalties and Criminal Fines	thousand	0	0	0
Environmental Non-compliance Cases	Cases	0	0	0
Product, service, and quality				
Major Product- and Service-related Safety & Quality Liability Incidents	thousand	0	0	0

Social performance

Employee data indicators	Units	2024	2023	2022
Employee structure				
Total number of employees	person	5,254	5,058	4,505
By gender				
Men	person	4,221	4,007	3,459
female	person	1,033	1,051	1,046
By employment rank				
Senior management	person	147	129	151
Middle management	person	447	397	358
Regular employees	person	4,660	4,532	3,996
By age				
Age 30 and younger	person	1,265	1,119	964
31-50 years old	person	2,825	2,866	2,706
Age 51 and older	person	1,164	1,073	835
By ethnicity				
Han Chinese	person	4,311	4,545	4,125
Ethnic minorities	person	943	513	380
By work area				
China region	person	4,366	4,454	4,295
African region	person	734	436	73
Australian region	person	154	168	137
By education				
Master's degree and above	person	75	46	37
Bachelor's degree	person	1,139	1,012	837
Junior college diploma and below	person	4,040	4,000	3,631
Part-time/intern employees	person	84	6	113
Newly hires	person	894	855	787
Employees with disabilities	person	24	23	23
Overall Employee Turnover Rate	%	12.8	5.0	4.7

Employee data indicators	Units	2024	2023	2022
Employee Protection				
Statutory Social-Insurance Coverage Rate	%	100	100	100
Work-Related Injury Insurance Premiums Paid	Million	3.3	NA	NA
Work-Related Injury Insurance Coverage Rate	%	100	NA	NA
Safety Production Liability Insurance Premiums Paid	Million	1.2	NA	NA
Safety Production Liability Insurance Coverage Rate	%	53.5	NA	NA
Employee Satisfaction Score	%	99.1	NA	NA
Employee-reward Expenditure	Million	55.1	36.6	64.5
Employee Well-being Expenditure	Million	7.0	6.6	3.5
Staff development and training				
Total number of staff vocational training	person	5,254	5,058	4,505
By gender				
Male employees	Participants	26,170	32,760	23,126
Female employees	Participants	6,405	8,593	6,991
By rank				
Senior management	Participants	911	1,064	1,010
Middle management	Participants	2,771	3,253	2,410
Ordinary staff	Participants	28,892	37,036	26,697
Professional Training Coverage Rate	%	100	100	100
Professional Training Hours	Hours	268,109	279,934	215,582
Average Professional Training Hours per Employee	Hours	51.0	55.3	47.9
By rank				
Senior management	Hours	52.6	55.8	46.7
Middle management	Hours	67.5	63.7	52.3
Regular employees	Hours	49.4	54.6	47.5
Professional Training Expenditure	million	5.0	4.8	4.1

Data security and customer privacy protection	Units	2024	2023	2022
Data security				
Cybersecurity Incidents (incl. Information-security Vulnerabilities)	Cases	0	0	0
Fines Paid for Cybersecurity Incidents	Thousand	0	0	0
Customer privacy protection				
Customer-privacy Breaches	Cases	0	0	0
Fines Paid for Customer-Privacy Breaches	Thousand	0	0	0
Customer-privacy Complaints	Cases	0	0	0
Data security training				
Data Security Training Coverage Rate	%	91	86	NA
Average Data Security Training Hours per Employee	Hours	5.0	2.5	NA
Public welfare and charity				
Rural Revitalization				
Rural Revitalization Investment	Thousand	82	10	NA
Beneficiaries from Rural Revitalization Initiatives	person	550	400	NA
Social contributions				
Total Philanthropic & Community Investment	Million	2.1	2.1	3.8
Charitable Donations	Thousand	1,501	779	1,880
Community-investment Expenditure	Thousand	596	1,296	1,890
Volunteer-activity Attendance	Participants	602	33	39
Total Volunteer Hours	Hours	2,687	129	632
Supply chain management				
Supplier				
Mainland-China Suppliers	suppliers	1,056	1,033	1,070
Hong Kong, Macau & Taiwan Suppliers	suppliers	1	1	1
Overseas Suppliers	suppliers	86	9	6

INDEX & REFERENCES

SZSE ESG Disclosure Index

Shenzhen Stock Exchange "Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidelines No. 17 -- Sustainable Development Report (Trial)" index table

Dimensions	Issue under discussion	Disclosure Items	Report section
Environment	Fighting climate change	Articles 21 to 28	Climate Change & Carbon Strategy
	Pollutant emissions	Article 30	Environmental Management
	Waste disposal	Article 31	Environmental Management
	Ecosystem and biodiversity conservation	Article 32	Biodiversity Management
	Environmental compliance management	Article 33	Environmental Management
	Energy use	Article 35	Energy Management
	Water use	Article 36	Water Management
	Circular economy	Article 37	Packaging Management
Society	Rural revitalization	Article 39	Serving National and Community Needs Public Welfare Initiatives
	Social contributions	Article 40	Serving National and Community Needs Public Welfare Initiatives Building Harmonious Communities Together
	Innovation-driven	Article 42	Strengthening Research & Development Capabilities Technological Innovation
	Science and technology ethics	Article 43	Not Applicable

Dimensions	Issue under discussion	Disclosure Items	Report section
Society	Supply chain security	Article 45	Responsible Supply Chain Management
	Equal treatment of small and medium-sized enterprises	Article 46	Responsible Supply Chain Management
	Product and service safety and quality	Article 47	Product quality Management Customer Stewardship
	Data security and customer privacy protection	Article 48	Digitalization & IT Landscape
	Employees	Article 50	Talent Strategy & Employee Development
Governance related to sustainable development	Due Diligence	Article 52	Stakeholder Engagement Materiality Analysis Responsible Supply Chain Management
	Stakeholder communication	Article 53	Stakeholder Engagement
	Anti-commercial bribery and anti-corruption	Article 55	Corporate Governance Business Ethics & Integrity
	Anti-unfair competition	Article 56	Corporate Governance Business Ethics & Integrity

Stakeholder Feedback Questionnaire

Dear readers,

Thank you for taking the time out of your busy schedule to review *the 2024 Sustainability Report of Sichuan Yahua Industrial Group Co., Ltd.* Your insights are invaluable to us. Please share any comments or suggestions about the Report or our sustainability performance by:



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Kindly tick the appropriate boxes and return the completed questionnaire by e-mail or post. Thank you!

1. Which stakeholder group best describes your organization?

Shareholder ☐ Employee ☐ Supplier ☐ Customer ☐
Government ☐ Community ☐ Academic Institution ☐ Other: _____

2. Does the Report reflect the material ESG impacts of Yahua Group?

Yes ☐ Acceptable ☐ No ☐

3. Were you able to locate the information you were interested in easily?

Yes ☐ Acceptable ☐ No ☐

4、Overall evaluation of the Report:

- Readability (clear language, attractive design, easy navigation)
☐ 3 = Good ☐ 2 = Average ☐ 1 = Poor
- Credibility (information is truthful and reliable)
☐ 3 = Good ☐ 2 = Average ☐ 1 = Poor
- Completeness (balanced disclosure, meets your information needs)
☐ 3 = Good ☐ 2 = Average ☐ 1 = Poor

5、What would you prefer to see in addition to what has already been disclosed in the report?



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