

2025

2025 Environmental, Social and Governance (ESG) Report

Qingdao Yunlu Advanced Materials Technology Co., Ltd.

Qingdao Yunlu Advanced Materials Technology Co., Ltd. (hereinafter referred to as “the Company”) builds its corporate social responsibility strategy based on the dual mission of technology and humanity. By leveraging advanced soft magnetic materials, we promote global low-carbon energy transformation and foster a green industrial ecosystem through eco-friendly products and industrial solutions. Relying on the technological accumulation of advanced materials, we will continue to lay a solid foundation for emerging industries such as new energy and new intelligent manufacturing in the future, and activate the core driving force of the future economy. The company consistently embodies a culture of “warmth” — providing diverse support for employee growth and meticulous family care, creating a workplace full of a sense of belonging. Diversified public welfare initiatives have earned the company broad trust and recognition from all sectors of society.



Amorphous materials empower global low-carbon transformation: Dual improvement of global contribution and industrial coverage

Centered on the technological advantages and product innovation of amorphous materials, the Company continues to advance the global low-carbon transformation. Through a dual-track approach combining green products and complete industrial solutions, it has achieved comprehensive breakthroughs in global market coverage and industrial application scenarios, with its contribution to carbon reduction steadily increasing.

Highlighting energy-saving advantages, continuous expansion in global markets: Amorphous materials offer significant energy-saving characteristics compared to CRGO, making them an important material for achieving global carbon peak and carbon neutrality goals.

5 new countries developed in 2025 ↑ Cumulative coverage of 40+ countries and regions worldwide

3 new countries added for overseas turnkey solutions in 2025 ↑ Cumulative coverage of 5 countries



Manufacturing Energy Saving

- Short manufacturing flow (Amorphous: ~10m; CRGO: ~1000m), with zero discharge of three wastes (waste gas, wastewater, solid waste) in production.
- Producing 1 kg of amorphous strip consumes 1 liter less oil than the same weight of CRGO
- Producing 1 ton of amorphous material cuts CO₂ emissions by 730 kg compared to CRGO.

Application Energy Saving

- Transformers using amorphous alloy cores have no-load losses 60%–80% lower than transformers using CRGO.

Recycling Energy Saving

- In the recycling process of waste amorphous cores, Si and B are 100% utilized, avoiding waste of key materials.

Equivalent to saving about **2.2** million tons of standard coal

Equivalent to reducing about **5.5** million tons of carbon dioxide

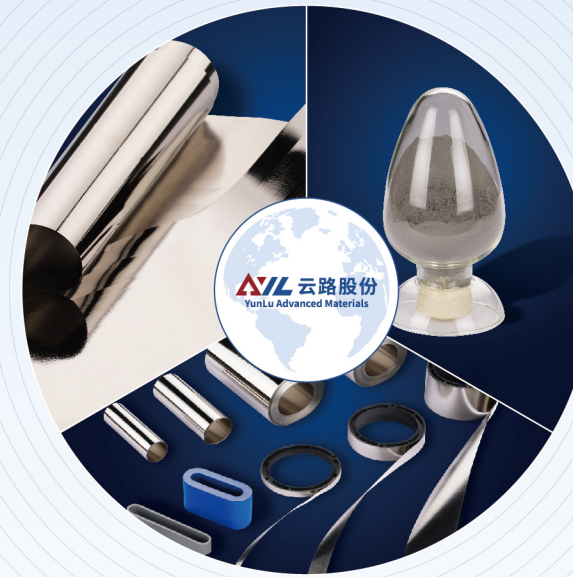
Cumulative electricity savings of **5.5** billion kWh

Equivalent to reducing sulfur dioxide emissions by **160,000** tons

By 2025, the company's global support

Advanced materials form the underlying technical support for emerging industries

The Company is deeply engaged in the R&D and innovation of advanced green low-loss materials, providing high-performance, customized material solutions for frontier fields such as new energy, embodied intelligence, computing power, and large-scale scientific engineering. By leveraging core material technology breakthroughs, the Company solidifies the foundation for the development of emerging industries.



In 2025, the Company contributed to industry development

Cumulatively participated in formulating **9** standards

1 new overseas PCT patent

30+ cumulative overseas patents

12 domestic invention patents

203 cumulative domestic patents

New Energy Vehicle Sector

The Company's industry-leading amorphous material, with its high power density characteristics, has become one of the optimal material solutions for drive motors in high-power-density scenarios, providing core material support for the high-speed, high-frequency technological upgrade of electric drive systems in new energy vehicles.



Embodied Intelligence Sector

Amorphous material provides material support for embodied intelligence electric drive products in terms of high speed, miniaturization, lightweight design, and low energy consumption.



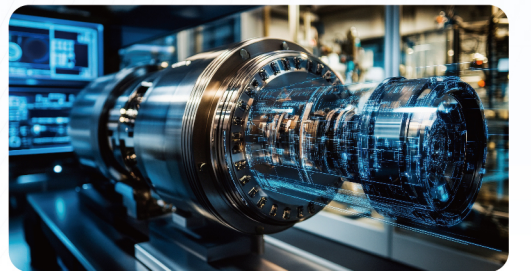
Computing Power Sector

Spherical magnetic alloy powder, leveraging its advantages of high power density and full-temperature-range stability, has become a critical material solution for high-current, high-frequency computing power chip inductors. Meanwhile, the Company's ultra-thin nanocrystalline material, with its superior energy efficiency and low-loss characteristics, serves as a premium material choice for high-power, high-precision equipment in computing power centers.



Large Science Project Sector

The Company's nanocrystalline material has overcome the critical dependency on foreign sources in national large-scale scientific engineering projects such as heavy ion accelerators, laying a solid foundation for the China Accelerator Alliance to break through material technology barriers and achieve independent control of core equipment.



Foreign teacher classes for employees' children



Study tours for employees' children



Goddess Day & Arbor Day



Sunshine Sports



E-sports Activities



Employee Care



2026 Target Optimization

In the past three years, the company's overall implementation of ESG goals has been good. The annual goals of 2023 and 2024 were all achieved; in 2025, all indicators were completed as planned except for a slight gap between the indicator of "Fulfilling Social Public Welfare Responsibilities" and the target value. Based on 8 indicators per year, a total of 24 goals were set in the past three years, 23 of which were achieved, with an overall achievement rate of 95.83%. Among them, 100% achievement was achieved for two consecutive years in the early stage, reflecting the strong stability and executive power of the company's ESG management system. Based on the fact that the previous goals have been basically achieved, the company will optimize and adjust the indicator system in the next step, and highlight the content more matching with the company's long-term development such as talent echelon construction, employee occupational health and working environment improvement.

Over the past three years, the Company has achieved good overall performance in implementing its ESG goals, with **100%** achievement for the first two consecutive years.



Projects	Subitem	2026 Work Objectives	2027 Work Objectives	2028 Work Objectives
Protection of the rights and interests of small and medium investors	Hold public performance briefings throughout the year	Maintain three public performance briefings per year	Maintain three public performance briefings per year	Maintain three public performance briefings per year
Protection of the legitimate rights and interests of suppliers	Supplier payment and employee salary guarantee	In accordance with business contracts, there are no overdue payments to small and medium-sized enterprises (SMEs), private enterprises, or wage arrears to migrant workers.	In accordance with business contracts, there are no overdue payments to small and medium-sized enterprises (SMEs), private enterprises, or wage arrears to migrant workers.	In accordance with business contracts, there are no overdue payments to small and medium-sized enterprises (SMEs), private enterprises, or wage arrears to migrant workers.
Increase the recruitment ratio of fresh graduates	Proportion of fresh graduate recruitment	≥5.5%	≥5.5%	≥5.5%
Employee development	Number of internally cultivated talents at L2 level (internal professional title defense evaluation) and above	≥1 person	≥1 person	≥1 person
Employee safety	Safety million-hour injury rate (number of work-related injuries / total working hours × 1,000,000)	≤0.8	≤0.75	≤0.7
Improvement of working environment	Improvement of occupational health hazard-exposed workplaces	Eliminate more than 2 occupational health hazard-exposed workplaces annually	Eliminate more than 2 occupational health hazard-exposed workplaces annually	Eliminate more than 2 occupational health hazard-exposed workplaces annually
Environmental protection	Hazardous Waste Emissions per 100 Million Yuan of Output Value (tons/100 million yuan)	≤4.0	≤3.95	≤3.9
	Cumulative CO ₂ emission reduction	≥6.6 million tons	≥7.6 million tons	≥8.6 million tons
Fulfill the public welfare responsibilities	Public Welfare Input	≥Net assets × 0.75‰	≥Net assets × 0.75‰	≥Net assets × 0.75‰