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About the Report

This is the 9th *Sustainability Report* (hereinafter referred to as the "Report") issued by Sateri (hereinafter referred to as "Sateri", "Sateri Group", "the Company" or "our/we"). This Report will systematically outline the Company's commitments, policies, strategies, actions, and results on sustainability in 2024.

Reporting Scope and Boundary

The Report mainly includes Sateri's performance from 1 January 2024 to 31 December 2024 (hereinafter referred to as the "Reporting Period"), with some information extending beyond this time frame. Unless otherwise stated, the entities covered in this Report include all assets and operations managed by Sateri, as listed below:

Entity	Abbreviation	Collectively known as
Sateri (Shanghai) Management Limited	SSH	/
Sateri (Fujian) Fibre Co., Ltd.	SFJ	
Sateri (Jiujiang) Fibre Co., Ltd.	SJJ	
Sateri (China) Fibre Co., Ltd. Jiangxi Plant	SJX	
Sateri (Jiangsu) Fibre Co., Ltd.	SJS	
Sateri (China) Fibre Co., Ltd.	SCN	
Sateri (Yancheng) Fibre Co., Ltd.	SYC	Viscose mills
Linz (Nanjing) Viscose Yarn Co., Ltd.	Linz Nanjing	
Sateri (Rizhao) Lyocell Fibre Mill	Lyocell Rizhao	
Sateri (Changzhou) Fibre Co., Ltd.	Lyocell Changzhou	
Sateri (Nantong) Fibre Co., Ltd.	Lyocell Nantong	
Sateri (Shandong) Fibre Co., Ltd.	/	Lyocell mills
Sateri (Xinhui) Nonwoven Plant	Sateri (Xinhui) Nonwoven	
Sateri (Jiujiang) Nonwoven Plant	Sateri (Jiujiang) Nonwoven	
Sateri (Liyang) Nonwoven Plant	Sateri (Liyang) Nonwoven	
Sateri (Tongling) Nonwoven Material Co., Ltd.	Sateri (Tongling) Nonwoven	

For SSH, Linz Nanjing, and nonwoven mills, data and information relating to human resources, occupational health and safety, training, greenhouse gas emissions, and intellectual property are disclosed in this Report while any other environmental data (i.e. data on exhaust emissions, wastewater discharge, energy consumption) are not disclosed. Sateri (Shandong) Fibre Co., Ltd. is under construction and its data is not included in this Report.

Reporting Standards and Data Sources

This Report is prepared in accordance with the *GRI Standards* issued by the Global Sustainability Standards Board and the United Nations Sustainable Development Goals (UN SDGs), combined with the analysis results of the Company's material issues.

Unless otherwise specified, data in this Report are measured and calculated in accordance with internationally recognised standards, while the cited data and cases are from Sateri's official documents or provided by third parties such as regulators, auditors, or suppliers.

Monetary figures mentioned in this Report are in RMB.

External Verification

TÜV SÜD Certification and Testing (China) Co., Ltd. has provided independent limited verification of this Report in accordance with *AA1000AS v3*, whereby its opinion is detailed in Appendix V: Independent Verification Statement.

Language

This Report is published in both Chinese and English. In the event of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

For more information, please contact us via:

Email: sustainability@sateri.com

Phone: +86 21 3861 6841

President's Message



Tom Liu
President

It is my honour to address you as Sateri's newly appointed President, having assumed this role in June 2025. I am humbled to build on the strong foundation laid by my predecessor and to lead Sateri into its next chapter of sustainable growth. This report reflects our performance in the reporting year of 2024—a year in which we made significant progress in climate action, ecosystem protection, innovation, and inclusive growth.

Strengthening Fibre Leadership. In 2024, Sateri continued to strengthen its position as a global leader in fibre innovation. The commissioning of the world's largest single Lyocell line marked a major milestone, reinforcing our role in advancing China's textile green transformation while supplying the global market with lower-carbon, high-performance fibre solutions.

Advancing Climate Action and Ecosystem Protection

Our climate action and biodiversity efforts also achieved meaningful progress. At our new Shandong Lyocell mill, a biomass cogeneration project is expected to cut more than one million tonnes of greenhouse gas emissions annually. Across six of our plants, photovoltaic installations generated about 25,500 megawatt-hours of electricity, a 45% increase year-on-year. Our efforts were recognized with a "B" rating in the 2024 CDP Climate Change assessment, and we were named a CDP Supporter for the fourth consecutive year. We also deepened our partnership with Conservation International, launching the third phase of the Poyang Lake Wetland Ecosystem Restoration Project, further advancing wetland protection and public awareness. At the same time, over 98% of our wood pulp was sourced from certified or controlled plantations, reflecting our ongoing commitment to responsible sourcing.

Enhancing Cleaner Manufacturing

On the manufacturing front, we continued to reduce the intensity of wastewater sulphide and zinc emissions. All of our six viscose mills achieved STeP by OEKO-TEX® certifications and met EU-BAT requirements and five have reached the aspirational level of the ZDHC Man-Made Cellulosic Fibre Guidelines, with an average total sulphur recovery rate of 97.6%. With this momentum, we are firmly on track and confident of achieving our target for all six mills by 2027.

Innovation and Circularity

Innovation underpins our circular economy vision. In 2024, we strengthened our zero-carbon product portfolio: EcoCosy® Viscose expanded sustainable viscose fibre range; Sateri Lyocell demonstrated a carbon footprint of only 1.83 tonnes of CO₂ equivalent (far lower than conventional fibres); and FINEX® reached 50 percent recycled content. These advances were underpin by our continuous investment in R&D, with 57 new patent applications and 59 granted patents.

Empowering People and Communities

We also made progress with our people and communities. No occupational diseases were recorded across our operations in 2024, underscoring our commitment to workplace health and safety. Women accounted for approximately 11% of senior management and 17% of middle management, reflecting gradual gains in diversity. Since 2020, our community programmes have directly benefited nearly 204,000 residents and 72,000 students, demonstrating the positive social impact of our growth.

“

As we move ahead, Sateri will stay focused on the priorities that matter most: reducing our environmental footprint, accelerating innovation, and ensuring that growth is inclusive and responsible. I would like to also express my sincere gratitude to my predecessor for his leadership, and to all Sateri employees for their dedication and hard work. As I take on this new role, I forward to working with all of you to strengthen our contributions to the industry and to society.

”

About Sateri

As a member of RGE, Sateri is an international enterprise specialising in the production of circular viscose fibres. As one of the global leaders in the viscose fibre industry, Sateri's total fibre production capacity (including EcoCosy® Viscose and Lyocell) is nearly 2.4 million tonnes.

Viscose fibres produced by Sateri Group is natural, environmentally friendly, and biodegradable, and are important raw materials for the production of clothing fabrics, home textile fabrics, and sanitary products (such as baby wipes and beauty facial mask). We produce viscose fibres from sustainable plantations in a responsible manner and expand our product range from fibre to textile and non-woven products to better serve downstream customers and consumer markets.

Currently, Sateri has 15 plants in China, including six viscose mills that produce EcoCosy® Viscose, four Lyocell mills (in which Sateri (Shandong) Fibre Co., Ltd. is under construction), four Nonwoven mills, and one yarn mill, providing sales, marketing and customer service support to customers in Asia, Europe and the Americas, and delivering high quality green products to customers and consumers worldwide.

Sateri's total fibre production capacity (including EcoCosy® Viscose and Lyocell) is nearly

2.4 million tonnes

Sateri has

15 plants in China

Vision



Our vision is to become one of the largest, optimally-managed, and most efficient group based on sustainable resource development. We aim to achieve this by creating value for the Community, Country, Climate, Customer and Company by protecting the environment and creating value for clients.

Core Values



Complementary team, ownership, people, integrity, customer oriented, and continuous improvement.



Sustainability Highlights in 2024

Climate and Ecosystem Protection



- The biomass cogeneration project commenced at the newly built Shandong Lyocell fibre mill, which will fully utilize biomass energy and is expected to reduce GHG emissions by over one million tonnes annually upon completion
- Joining hands with Conservation International, we deepened the Poyang Lake Wetland Ecological Conservation Project and extended the protection action to the entire Poyang Lake area
- The project supported partners for 4 consecutive years from 2021 to 2024 to carry out public awareness raising activities such as science popularization, legal awareness campaign on wildlife protection, and nature experiences on commemorative days like World Wetlands Day, World Environment Day, and International Day for Biological Diversity
- Sateri received a "B" rating in the 2024 CDP Climate Change and has been recognized as a "CDP Supporter" for 4 consecutive years
- Sateri practices sustainable wood pulp sourcing, with 98.3% of purchases coming from certified or controlled plantations
- In July 2024, Sateri and Conservation International launched Phase III of the Poyang Lake Ecological Conservation Project. Centered on the core concept of "Protection - Restoration - Co-management - Integration", Phase III focuses on comprehensive enhancement in ecosystem rehabilitation, biodiversity monitoring, community sustainability, and innovative ecological finance mechanisms



Innovation and Circularity



- Number of patent applications: 57; Number of granted patents: 59
- FINEX's recycled content reached 50%
- The greenhouse gas emissions per tonne of Lyocell fibre are as low as 1.83 tonnes of CO₂ equivalent, which is more than 70% lower than that of conventional textile fibres, demonstrating excellent green and environmental performance



Closed Loop Production



- Indicators such as wastewater sulfide emissions per unit of product and wastewater zinc (Zn) emissions per unit of product of the viscose mills showed year-on-year downward trends
- All Sateri's viscose mills have passed the ISO 14001 certification
- All Sateri's mills have passed the STeP by OEKO-TEX® verification for sustainable textile production certified by Oeko-Tex Association
- All viscose mills meet EU-BAT requirements
- Sateri's five viscose mills have successfully achieved the Aspirational level requirement in the latest edition of the ZDHC Man-Made Cellulosic Fibre (MMCF) Guidelines issued by the Zero Discharge of Hazardous Chemicals (ZDHC)
- Sateri's viscose mills have achieved an average total sulphur recovery rate of 97.6%, with three of them reaching 98% and continuing to make progress
- Viscose mills and Lyocell mill achieve zero landfill of general solid waste
- Viscose mills' general solid waste generation per unit of product decreased by approximately 23% year-on-year



Inclusive Growth



- 0 occupational disease in 2024
- 100% coverage of comprehensive employee training
- Since 2020, 203,898 residents have benefited directly from Sateri's community programmes
- Since 2020, 71,799 students have benefited directly from Sateri's programmes in support of school education

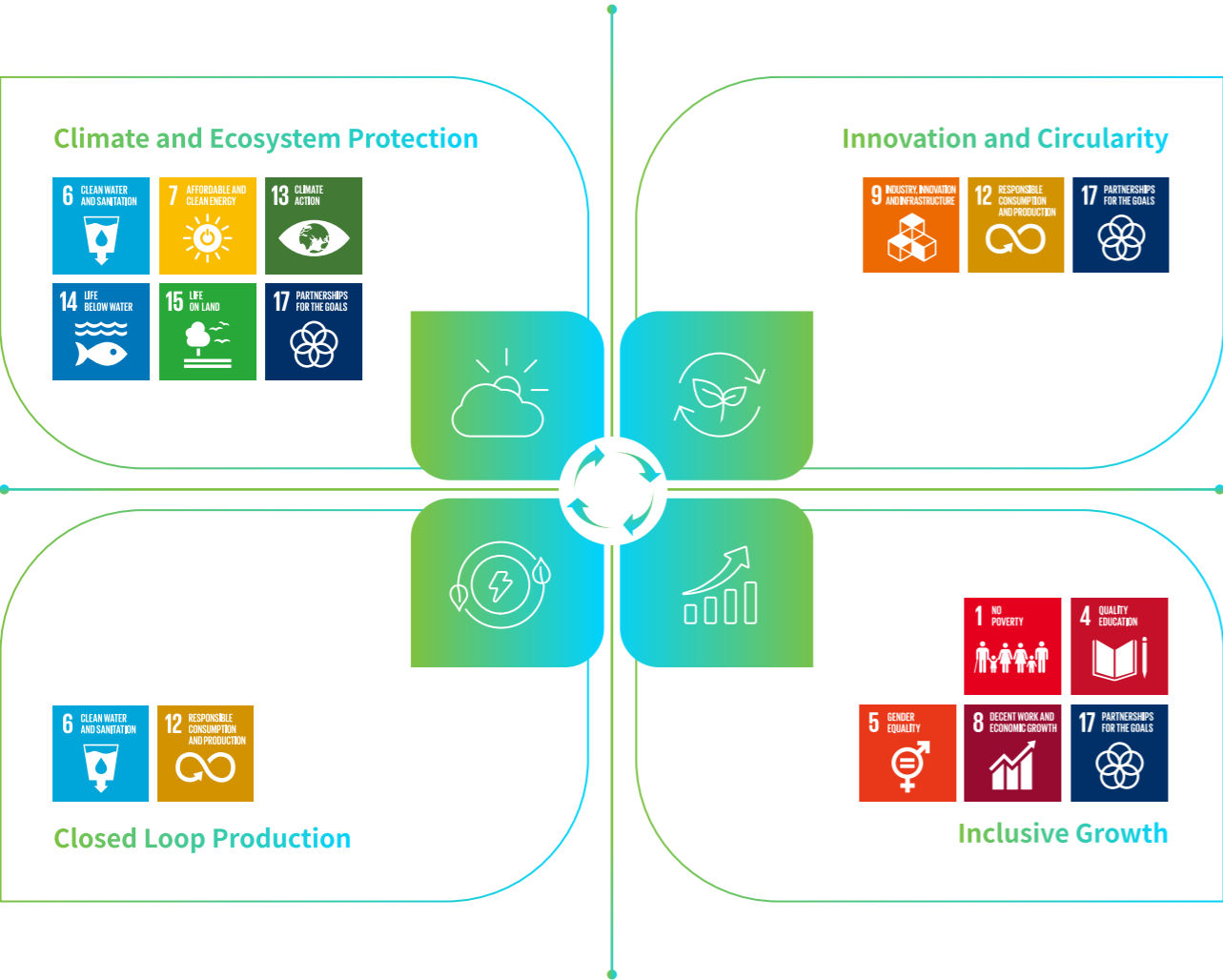


Sustainability Management

Our Position

In the context of the accelerated global sustainable development process, corporate citizenship has become a core element of corporate strategy. Sateri aspires to becoming a world-leading "net-positive" viscose producer. To achieve this goal, we integrate the concept of sustainable development into the entire life cycle of the Company's operations, continuously deepen green practices across the entire value chain, and systematically establish a long-term value system that creates sustainable long-term value for our employees, customers and communities.

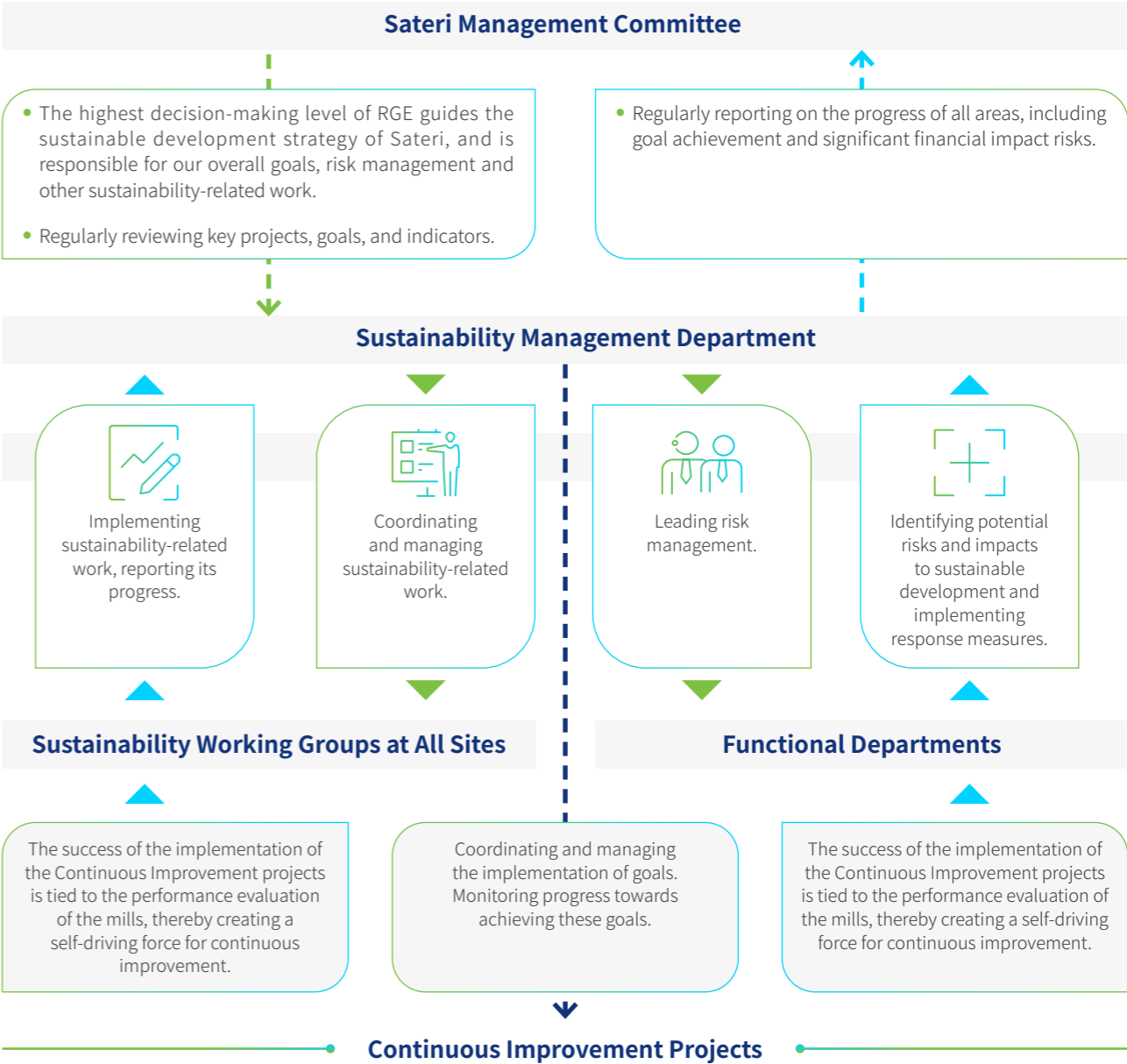
We published our 2030 Sustainable Development vision, which includes four major strategic dimensions: climate and ecosystem protection, closed loop production, innovation and circularity, and inclusive growth, and this sets out our sustainability targets and commitments for the next decade.



Vision 2030 of Sateri

Our Governance

Sateri has always regarded environmental friendliness, social inclusivity and transparent governance as the foundation of the Company's long-term value. To ensure the effectiveness of sustainable development management, Sateri has established a sustainable governance structure consisting of the Sateri Management Committee, the Sustainability Management Department, the sustainability working groups of all sites, and the functional departments. The concept of sustainable development has been deeply integrated into daily operations and production activities.



Sateri's Sustainability Governance Structure, Goals, and Risk Management Mechanisms



Our management strategy

Based on the *Sustainability Policy* and Vision 2030, Sateri conducted the identification and analysis of material issues, enabling its management and disclosure efforts to be more focused on key areas. This will help meet the expectations and demands of various stakeholders such as governments and regulatory agencies, customers, shareholders and investors, Non-Governmental Organizations (NGO), employees, suppliers, and community members, thereby contributing to the achievement of Sateri's sustainable development goals.

During the Reporting Period, we assessed the external attention paid to each of the issues and refer to expert opinions and peer experiences. The updated list of material issues was consistent with that of 2023, and it included a total of 13 issues related to sustainable development.



Environmental



- 1
- Protection of Biodiversity

2

Energy Transformation

3

Climate Change Mitigation

4

Resource Conservation

5

Emission Management

6

Use and Management of Chemicals

7

Sustainable Procurement

Social



- 8
- Product and Service Quality

9

Product R&D and Innovation

10

Equality, Diversity and Inclusion

11

Employee Rights and Development

12

Community Empowerment

Governance



- 13
- Business Ethics and Compliance



2024 Sateri Materiality Matrix

CLIMATE AND ECOSYSTEM PROTECTION

01

Our Position

Climate and ecosystems form the core pillars of Earth's life-support systems, with their stability directly impacting human well-being and social development. During the Reporting Period, the 29th United Nations Climate Change Conference (COP29) conducted a systematic assessment of the implementation progress of the *Paris Agreement*, emphasizing the need to limit global warming to 1.5 °C. It called on nations to develop more ambitious national climate action plans and accelerate the energy transition to control global warming.

As a key participant in global sustainability efforts, Sateri consistently aligns with global consensus and deeply integrates into the UN Sustainable Development Goals framework. Through forward-looking strategic deployment and systematic governance mechanisms, we incorporate environmental considerations at the core of corporate decision-making, striving to achieve a dynamic balance between commercial and ecological value.

Our Goals and Progress

Sateri systematically advances the synergistic development of climate governance and ecological conservation, establishing scientific targets and implementing dynamic monitoring mechanisms to rigorously manage our climate and ecosystem protection efforts. During the Reporting Period, Sateri's goals and progress in climate and ecosystem protection are as follows:

Our Goals	Progress in 2024
<ul style="list-style-type: none">Achieve Scope 1, 2 net-zero carbon emissions by 2050Reduce GHG emissions in Scope 1, 2 and 3 by 30% before 2030 (baseline year no earlier than 2015)	<ul style="list-style-type: none">The biomass cogeneration project commenced at the newly built Shandong Lyocell fibre mill, which will fully utilize biomass energy and is expected to reduce GHG emissions by over one million tonnes annually upon completionIn 2024, we launched new photovoltaic (PV) projects at our Lyocell Nantong and Sateri (Tongling) Nonwoven plants. Currently, six plants in total have implemented PV projects¹. In 2024, Sateri's photovoltaic power generation reached 25,438 MWhSateri received a "B" rating in the 2024 CDP² Climate Change and has been recognized as a "CDP Supporter" for 4 consecutive years
<ul style="list-style-type: none">Support the protection, restoration and regeneration of the land and freshwater ecosystems across our value chain footprint	<ul style="list-style-type: none">In July 2024, Sateri and Conservation International launched Phase III of the Poyang Lake Ecological Conservation Project. Centered on the core concept of "Protection - Restoration - Co-management - Integration", Phase III focuses on comprehensive enhancement in ecosystem rehabilitation, biodiversity monitoring, community sustainability, and innovative ecological finance mechanismsJoining hands with Conservation International, we deepened the Poyang Lake Wetland Ecological Conservation Project and extended the protection action to the entire Poyang Lake areaThe project supported partners for 4 consecutive years from 2021 to 2024 to carry out public awareness raising activities such as science popularization, legal awareness campaign on wildlife protection, and nature experiences on commemorative days like World Wetlands Day, World Environment Day, and International Day for Biological DiversitySateri practices sustainable wood pulp sourcing, with 98.3% of purchases coming from certified or controlled plantations

Awards and Certifications

■ Sateri received a "B" rating in the 2024 CDP Climate Change and has been recognized as a "CDP Supporter" for 4 consecutive years.



Related Sustainable Development Goals



¹ The six factories that have implemented photovoltaic projects are SJS, SYC, Linz Nanjing, Lyocell Changzhou, Lyocell Nantong, and Sateri (Tongling) Nonwoven.
² CDP: Carbon Disclosure Project.

Addressing Climate Change

Our Commitments

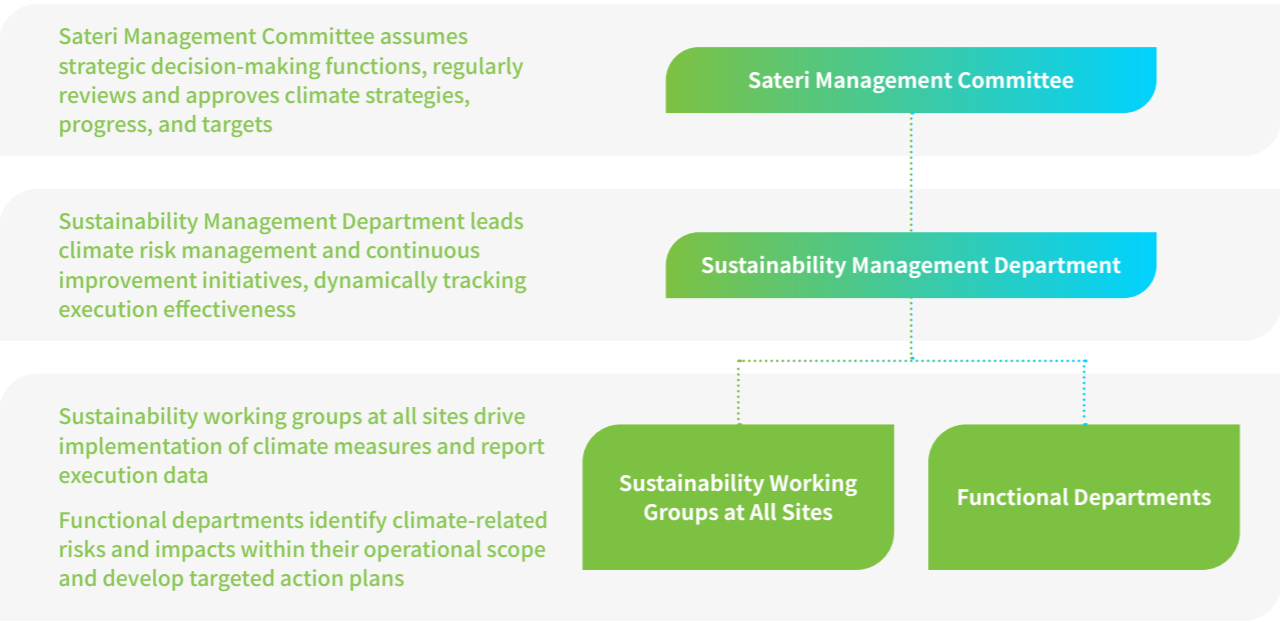
Aligned with the *Paris Agreement* and China's "Dual Carbon" goals, Sateri actively addresses climate change through innovative solutions. We enhance climate resilience while driving industry-wide low-carbon transition.

To fully implement decarbonization, Sateri has announced an operation-wide net-zero emissions target and a value chain carbon reduction target in 2021, and established a management system with annual implementation plans, delivering verifiable results to fulfill our climate commitments.

Our Governance

Based on the *International Financial Reporting Standard S2 - Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB³) and the disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD⁴), Sateri developed a tailored climate risk and opportunity management plan that meets

the Company's actual situation and demands. Also, we have built a multi-dimensional management system and established a scientific governance structure to ensure systematic enhancement of decarbonization efficacy and climate resilience, propelling green upgrades across the industrial chain.



Sateri Climate Governance Structure

In addition, we link continuous improvement achievements to the performance of sustainability working groups at all sites and functional departments, forming an objective-driven self-optimization loop.

³ ISSB: International Sustainability Standards Board.
⁴ TCFD: Task Force on Climate-Related Financial Disclosures.

Our Management Strategy

Sateri employs a scientific climate change management strategy, anchored in a risk identification–assessment–response mechanism to ensure the scientificity and efficacy of our climate actions.



Sateri Climate Change Management Strategy

Based on our climate change management strategy, we have identified transition risks, physical risks, and opportunities. Among these, transition risks encompass legal and regulatory, technological, market, and reputational risks; physical risks include acute and chronic risks; while opportunities cover resource efficiency, energy sources, and products and services.

Risk/ Opportunity Type	Risk/ Opportunity Name	Impact Intensity	Time Dimension	Risk/Opportunity Description	Response Measures
Transition Risks	Legal & Regulatory Risk	Strong	Medium Term	Increasingly stringent emission standards, regulatory and disclosure requirements at the international, Chinese and local levels may create potential operational and emission compliance risks. The power plants of all the factories have been included in the China National Emissions Trading Scheme. If the greenhouse gas emissions exceed the quota allocated by the regulators, the entities will be required to pay additional fees according to the relevant regulations.	<ul style="list-style-type: none">Regulatory Compliance: The operation team regularly updates and implements action plans based on the latest regulations to ensure compliant operations and prevent violations.Risk Assessment and Management: Each plant is responsible for assessing and managing risks related to excess GHG emissions.Energy Audits: Plants conduct routine energy audits to monitor energy efficiency and emissions.Third-party Verification: Each year, the management department assigns a third party to participate in the auditing of GHG emissions to ensure the authenticity of GHG emissions data.
	Technological Risk	Strong	Medium Term	To achieve our GHG emission targets and low-carbon development, we need to increase our investment in technology and equipment upgrades for cleaner production, energy saving and emission reduction, and emissions treatment, which may result in risks of significant upfront investment or losses due to rapid technology updates and iterations.	<ul style="list-style-type: none">Low-carbon Development: Explore clean energy alternatives and evaluate their feasibility and benefits. Drive technological retrofits to enhance energy efficiency and reduce carbon emissions.Circular Industry Pathways: Collaborate with industry associations to explore circular economy pathways and promote resource recycling.

Risk/ Opportunity Type	Risk/ Opportunity Name	Impact Intensity	Time Dimension	Risk/Opportunity Description	Response Measures
Transition Risks	Market Risk	Medium	Long Term	<p>As consumers and customers increasingly demand low-carbon, circular products, international fashion brands are paying more attention to corporate climate risk identification and prevention. Failure to meet their needs will affect our future market share.</p> <p>In addition, leading international fashion brands have extended their climate and energy targets upstream in the value chain, urging suppliers to step up their carbon reduction efforts and requesting some suppliers to restructure their energy mix.</p>	<ul style="list-style-type: none">• Cross-departmental Collaboration: The Marketing Department, Sustainability Management Department, and R&D departments collaborate closely to advance low-carbon fibre product development.• Product Innovation: Successfully launched and commercially mass-produced FINEX®, a brand of circular regenerated fibres made from waste textiles as feedstock, with recycled content reached 50%.• Strategic Advancement: Continue advancing climate change strategy and planning, exploring energy efficiency improvements and renewable energy utilization to optimize energy structure, meet customer requirements, and mitigate market risks.
	Reputational Risk	Weak	Long Term	<p>The 29th United Nations Climate Change Conference (COP29) and the 20th National Congress of the Communist Party of China re-emphasised the importance of addressing climate change. Under this trend, regulators, the public, the media and other stakeholders are paying more attention to the climate change-related performance of enterprises and their energy transformation, and have taken measures such as negative information disclosure and news reports to strengthen the monitoring of enterprises.</p> <p>Failure to meet stakeholder expectations of corporate performance related to climate change, failure to communicate effectively with stakeholders, or negative events that are contrary to the sustainability philosophy will have a negative impact on Sateri's reputation.</p>	<ul style="list-style-type: none">• Risk Assessment and Management: The Sustainability Management Department directly oversees risk assessment and management, supported by PR for seamless communication.• Communication and Transparency: Proactively disclose climate and energy data and practices through diverse channels to ensure stakeholders understand our mitigation efforts and achievements, minimizing reputational risk.• Sustainability Action: Actively implement the goals and commitments of the 2030 Sustainable Development vision, promote green development principles, and build a green, low-carbon, sustainable corporate image through concrete actions.
	Acute Risks (Typhoons, Floods, Drought, etc.)	Strong	Short Term	<p>Sateri's mill in Fujian is affected by typhoons from time to time, which may have a significant impact on equipment and personnel health.</p> <p>Sateri's mill in Jiangxi is at risk of flooding and drought, which could have a significant impact on equipment, personnel health and production.</p> <p>In addition, extreme weather may cause impediments to the transportation of raw materials and finished products, which could negatively impact the stability of our production and operations.</p>	<ul style="list-style-type: none">• Risk Assessment: Proactively conduct extreme weather risk assessments.• Supervision and Management: EHS Department, Supply Chain Department, and production teams oversee management of severe physical risks from extreme weather.• Risk Control: Senior management of business operations holds ultimate accountability for risk control.• Emergency Plan Update: Quarterly update emergency response and communication plans based on assessment results.

Risk/ Opportunity Type	Risk/ Opportunity Name	Impact Intensity	Time Dimension	Risk/Opportunity Description	Response Measures
Physical Risks	Chronic Risks (Changes in Precipitation, Sea Level Rise, Increase in Average Temperature, etc.)	Medium	Medium Term	<p>Climate change is altering precipitation patterns on a global scale. As Sateri's viscose mills rely on surface water for production (e.g., water from rivers and lakes in Jiangxi Province), rainfall shortfalls caused by climate change will affect the cost of water supply to the sites and daily operations, as well as degrading our production environment, which in turn affects productivity, economic output, and the health and safety of our employees.</p> <p>The chronic physical risk of climate change may exacerbate forest degradation, affecting the long-term stable supply of wood and its price, rendering a potential negative impact on the stability of our production.</p>	<ul style="list-style-type: none">• Risk Monitoring and Assessment: The operation team monitors and assesses risk likelihood and impacts, adjusting production plans if necessary.• Employee Health and Safety Management: Continuously strengthen the management of employee health and safety and efficiently implement various protection measures to ensure a safe production environment to mitigate productivity and output impacts.• Sustainable Procurement and Collaboration: Commit to sustainable procurement of dissolving pulp, increasing the use of recycled pulp, and working with stakeholders to support the sustainable management of forests, in order to proactively address the potential negative impacts of climate change on wood supply, safeguard our production stability, and promote sustainable development of the industry.
Opportunities	Resource Efficiency	Medium	Short Term	<p>Optimize energy and water management, promote circular production models, improve resource efficiency, lower operating costs, and enable a green and low-carbon transition.</p>	<ul style="list-style-type: none">• Optimize production equipment to enhance energy efficiency.• Implement water recycling initiatives to reduce water consumption.• Explore packaging material reuse to improve resource utilization.
	Energy Source	Medium	Short Term	<p>Increase the proportion of renewable energy utilization and clean energy structure to reduce carbon footprint, enhance operational resilience, and lead the low-carbon transition of the industry.</p>	<ul style="list-style-type: none">• Install rooftop distributed PV systems to boost renewable energy usage.• Pilot renewable energy technologies such as biomass energy.
	Products and Services	High	Medium Term	<p>Develop eco-friendly products through innovative low-carbon technologies and sustainable materials, responding to global green consumption trends and enhancing market competitiveness.</p>	<ul style="list-style-type: none">• Develop resource-efficient, circular, climate-stable fibre products. Launched and commercially mass-produced FINEX®, a brand of circular regenerated fibres made from waste textiles as feedstock, with recycled content reached 50%. Also, launched three zero-carbon products to fully meet market demands.• Partner with value chain peers to develop biodegradable/recyclable fibre solutions.

Our Actions

Sateri remains focused on three key aspects, namely management-based emission reduction, energy efficiency improvement, and energy transition, to build an integrated energy conservation and emission reduction pathway. During the Reporting Period, we implemented 17 dedicated energy-saving continuous improvement projects, enhancing efficiency in critical areas such as raw coal consumption. Furthermore, we enhanced our renewable energy deployment, achieving a current clean energy installed capacity of 23.07 MW, establishing the foundation for a low-carbon energy supply system. Concurrently, multiple Sateri plants adhere to the standard of the ISO 50001 Energy Management System, continually advancing energy management system development, with plans for formal certification in the future.

Management-based Emission Reduction

Sateri established a key objective-oriented energy efficiency management mechanism, driving carbon reduction through a three-tiered progressive approach: "Energy Consumption Baseline Diagnosis - Energy-saving Potential Analysis - Emission Reduction Pathway Optimization." During the Reporting Period, Sateri promoted energy recycling development through projects like waste heat recovery and steam circulation, enhancing resource efficiency.

Steam Usage Efficiency Enhancement Project of SYC

SYC formed a dedicated team to specifically address steam usage efficiency. By focusing on process optimization, recycling, and technical improvements, the project enhanced energy efficiency and reduced unnecessary carbon emissions:

- **Process Optimization:** Dynamically monitored the steam-to-water ratio in the evaporation system and optimized the alkaline washing cycle to reduce ineffective steam consumption.
- **Recycling:** Utilized secondary steam from roasting to replace fresh steam and adjusted the nitrate extraction process to achieve "zero discharge" of secondary steam.
- **Technical Improvement:** Benchmarked industry best practices to optimize the desorption pressure and time parameters of adsorption tanks in the CS₂ workshop.

After the implementation of the project, the steam consumption per tonne of fibre at SYC decreased by approximately 8% year-on-year in 2024. Annual steam savings corresponded to over 20,000 tonnes of coal, directly supporting Sateri Group's energy management goals. This project exemplifies Sateri's commitment to sustainable production through refined management and technological innovation, offering a valuable reference for industry-wide energy efficiency enhancement.

Waste Heat Recovery Project of SFJ

SFJ continuously explored energy recovery solutions, driving energy-saving retrofits through technological innovation. We utilized high-pressure steam generated by acid production boilers for waste heat power generation, partially replacing coal-fired power demand and reducing greenhouse gas emissions. Through systematic improvements, coal consumption per tonne of fibre at SFJ decreased by approximately 7%. This not only reduced coal consumption but also lowered production costs and carbon emissions, achieving a win-win for economic and environmental benefits.



Energy Efficiency Improvement

Sateri effectively reduces energy losses and continuously enhances energy use efficiency by introducing intelligent high-efficiency equipment, implementing a phased replacement plan for low-efficiency motors, and advancing production process and workflow innovations.

Energy Efficiency Enhancement Case of SCN

Guided by green and low-carbon principles, SCN optimized electrical equipment and facilities to improve energy use efficiency. We increased the electrical load capacity of interconnection ties and retrofitted the power supply for feed water pumps at the power plant, enabling efficient dual-pump operation. Additionally, regular maintenance ensured optimal equipment performance. Following these improvements, coal consumption per tonne of fibre at SCN decreased by approximately 3%. This resulted in significant energy savings while effectively reducing air pollutants and carbon emissions, demonstrating Sateri's technical innovation capabilities and refined management in energy efficiency improvement.

Energy Transition

Sateri positions renewable energy application as a critical action for climate governance. By substituting traditional energy sources with renewables and low-emission fuels, we are restructuring the energy utilization system and systematically advancing operational decarbonization. In 2024, the biomass cogeneration project commenced at the newly built Shandong Lyocell fibre mill, which will fully utilize biomass energy.

Biomass to Heat and Electricity Cogeneration Project Commenced at the Newly Built Shandong Lyocell Fibre Plant

Sateri (Shandong) Fibre Co., Ltd. commenced construction in November 2024. The site plans to build four internationally advanced Lyocell fibre production lines, each with an annual capacity exceeding 150,000 tonnes. Upon completion, it will become one of the world's largest Lyocell fibre production sites. Sateri (Shandong) Fibre Co., Ltd. will fully adopt biomass energy as its primary power source, actively promoting clean energy substitution to reduce reliance on fossil fuels. Once operational, the plant is expected to reduce greenhouse gas emissions by over one million tonnes annually, significantly contributing to the industry's low-carbon transition.

We proactively explored feasible solutions for energy storage projects. In 2024, we launched new photovoltaic (PV) projects at our Lyocell Nantong and Sateri (Tongling) Nonwoven plants. Currently, six plants in total have implemented PV projects.

During the Reporting Period



Sateri's photovoltaic power generation reached

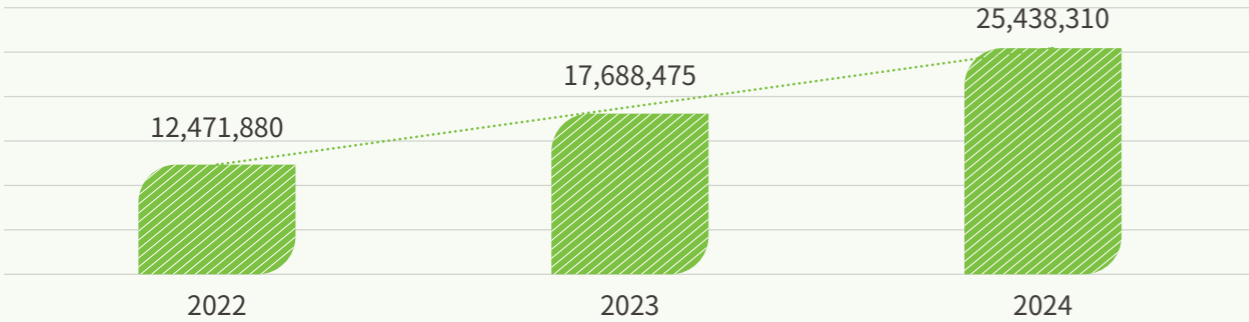
25,438 MWh



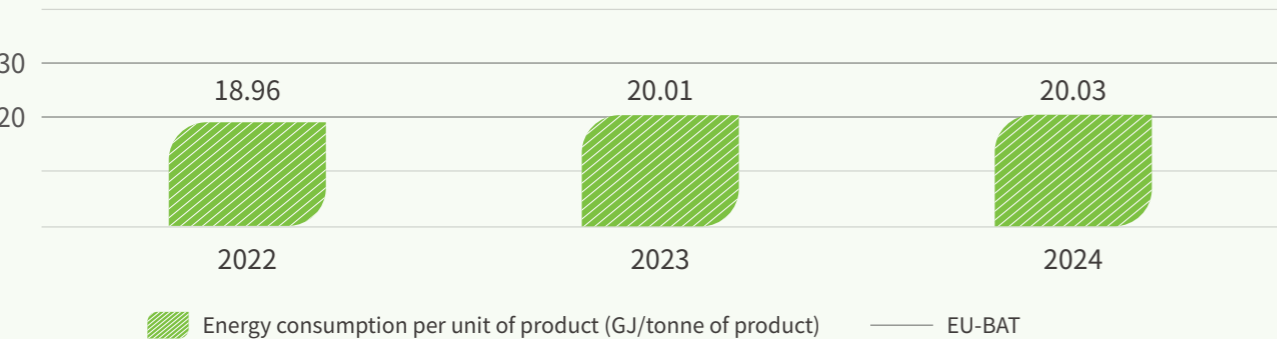
Representing a year-on-year increase of approximately

44 %

Sateri PV Power Generation (2022–2024)(kWh)



Energy Intensity of Viscose Mills vs. EU-BAT Standards (2022–2024)



	2022	2023	2024 ⁵
Scope 1	5,005,617	5,742,059	5,978,661
Scope 2	278,371	295,805	410,555
Scope 3	13,410,468	13,906,056	21,695,854
Scope 1+ Scope 2	5,283,988	6,037,864	6,389,216
Scope 1+ Scope 2+ Scope 3	18,694,456	19,943,921	28,085,070

Sateri Greenhouse Gas Emissions⁶ (tonne of CO₂ equivalent)

⁵ In 2024, Sateri’s production capacity expanded and GHG emissions increased correspondingly.
⁶ Data is calculated in accordance with the *GHG Protocol*, covering Viscose mills, Lyocell mills, Nonwoven mills, Linz Nanjing, and SSH.

Ecosystem Protection

Our Commitments

As a global leader in the viscose fibre industry, Sateri deeply recognises the intrinsic link between biodiversity conservation and supply chain sustainability. Since the adoption of the *Kunming-Montreal Global Biodiversity Framework* (GBF) in 2022, its 23 action targets, including the goal to "protect 30% of terrestrial, inland water, and marine areas by 2030", have triggered systemic changes within the textile industry.

Sateri's entire value chain is deeply interdependent with ecosystems. Our raw material sourcing, production processes, and product applications are all intricately intertwined with natural capital. Therefore, guided by our "2030 Sustainable Development vision", the Company designates ecosystem protection as a key area for action. We actively fulfil our commitment to ecological and environmental protection through concrete actions and provide the industry with replicable pathways for achieving positive impacts on nature.

Our Governance

Sateri has established a systematic ecological protection governance structure. Functional departments, such as Sustainability Management Department, EHS Department, Procurement Department, and Marketing Department, play their distinct roles, undertaking responsibilities for identifying, monitoring, assessing, and responding to biodiversity risks. They regularly report progress to the Management Committee.

To ensure the scientific rigor, systematic approach, and effectiveness of all ecological protection initiatives, we develop annual work plans for biodiversity impact assessments and ecological environment protection projects each year. These plans are accompanied by quantifiable targets, enabling us to effectively fulfil our corporate responsibility for safeguarding natural ecosystems.

Our Management Strategy

Sateri integrates biodiversity conservation into the core of its sustainable development strategy. We are adopting a scientific management system based on frameworks from the Taskforce on Nature-related Financial Disclosures (TNFD⁷) and the Science Based Targets Network (SBTN⁸). Using international assessment tools, we systematically analyzed biodiversity risks and optimized our strategic deployment accordingly, with a particular focus on advancing key ecological protection

projects like the Poyang Lake protection initiatives. Drawing on the LEAP⁹ methodology, we have established a traceable and verifiable biodiversity management process to locate, evaluate, and assess the risks of ecological environment. We implement targeted risk preparedness and response measures to effectively address the challenges of biodiversity degradation and actively contribute to ecosystem improvement.

⁷ TNFD: Taskforce on Nature-related Financial Disclosures.
⁸ SBTN: Science Based Targets Network.
⁹ LEAP is the core assessment process of the TNFD framework, aimed at helping businesses systematically identify, assess, and manage dependencies, impacts, risks, and opportunities related to nature. LEAP stands for four key steps: Locate, Evaluate, Assess, and Prepare.

Locate

- Map the ecosystems encompassed by business footprints across our operations and value chain activities.
- Identify priority assessment locations based on the biodiversity significance of relevant ecosystems and operation situations.

Evaluate

- Identify the environmental assets and ecosystem services that each priority location depends on or impacts.
- Periodically evaluate the extent of nature dependency and impact at each priority location.

Assess

- Based on evaluation findings, identify biodiversity risks and opportunities at each operational site.
- Analyze materiality and prioritize actions using quantitative assessments to formulate and update biodiversity management strategies.

Prepare

- Align the Company's resource allocation with overall management strategies and coordinate targeted actions with stakeholders.
- Regularly track, measure, and disclose biodiversity management performance to continuously optimize action plans.

Sateri Ecological Environment Management Process

As a global leading fibre producer with sustainability as its core mission, Sateri consistently prioritizes biodiversity conservation as a key element of its environmental management. We proactively benchmark against advanced international tools and standards, continuously enhancing the synergy between our operations and the natural environment. As the concept of sustainable development deepens, societal and market attention to ecological value is growing stronger, creating greater opportunities for enterprises to practice nature conservation, green manufacturing, and ecological co-construction.

During the Reporting Period, Sateri conducted a systematic ecological and environmental assessment of all its operational sites using the WWF Biodiversity Risk Filter¹⁰, developed by the World Wildlife Fund (WWF¹¹). This tool integrates over 50 biodiversity and environmental-related indicators, conducting multi-layered analysis from the two dimensions of ecosystem dependency and environmental interaction impact. It helps the Company gain a comprehensive understanding of the ecological characteristics of the regions where it operates and optimize its environmental management strategies accordingly.

This assessment covered multiple aspects, including ecosystem provisioning and regulating services, biodiversity distribution characteristics, natural environmental elements, and socio-economic conditions. It enhanced the Company's overall understanding of the ecological landscape and environmental value of its operational locations. Leveraging this tool, Sateri further strengthened the scientific identification of ecological hotspots and incorporated the findings into its environmental governance system, providing strong support for formulating environmental management measures and responsible production actions.

Based on the results of this ecological assessment, Sateri will continue to optimize its management strategies according to the natural characteristics of different areas. The focus will be on the efficient use and discharge management of water resources. We will actively promote collaboration with governments, environmental organizations, and communities to jointly advance watershed ecological protection and restoration projects. By refining ecological identification, management decision-making, and collaboration mechanisms, Sateri continuously enhances the ecological resilience of its operational areas, steadily progressing towards the long-term goal of achieving high-quality development in harmony with nature.

¹⁰ <https://riskfilter.org/biodiversity/home>
¹¹ WWF: World Wildlife Fund.

Our Actions

Sateri regards biodiversity conservation as a key pillar of business resilience. We focus on the following two directions to continuously explore pathways for ecological sustainable development:

Avoiding and Reducing Stress on Nature

- Sateri uses renewable wood pulp as the raw material for fibre production. We adhere to responsible wood pulp procurement guidelines, continuously increase the proportion of certified pulp purchased, and promote the sustainable development of the global wood pulp supply chain.

Restoring and Protecting Natural Ecosystems

- Sateri builds its ecological protection system based on a watershed ecology mindset, with a primary focus on the Yangtze River Basin and the Poyang Lake Ecological Economic Zone, where nearly 50% of our operational sites are located here and are critical nodes for the ecological barrier and economic engine of the middle and lower reaches of the Yangtze River.
- The Poyang Lake Wetland Ecological Conservation Project has entered its third phase. Aiming to consolidate existing achievements, this phase explores more systematic, institutionalized, and long-term conservation pathways. Centered on the core concept of "Protection - Restoration - Co-management - Integration", Phase III focuses on comprehensive enhancement in ecosystem restoration, biodiversity monitoring, community sustainable development, and innovative ecological financing mechanisms.

Sustainable Wood Pulp Procurement

The Sateri Group is committed to building a global sustainable wood pulp supply chain. Adhering to global sustainable wood pulp procurement policies, we measure production practices against sustainable forest management certifications. We strive for 100% sustainable raw material procurement through means such as dissolving pulp from plantation forests and using wood pulp for fibre conversion products.

Sateri places high importance on the sustainable management of wood pulp procurement. We have established a rigorous traceability system enabling raw materials to be traced back to their source. Relying on authoritative forest certification programmes like PEFCTM and FSC®, we prioritize the procurement of certified or controlled wood pulp. We conduct annual risk assessments on suppliers to ensure sustainable and

high-quality supply. Furthermore, we regularly disclose supplier information on our corporate website, accepting supervision and suggestions from stakeholders, thereby achieving comprehensive management of wood pulp procurement across policy, targets, actions, and external disclosure.

By strictly overseeing the origin of wood pulp, we actively contribute to reducing the impact of procurement activities on ecosystems, fulfilling our green development commitment, and propelling the industry towards greater sustainability. Annually, we comprehensively consider the current procurement situation, global environmental policies, and suggestions from stakeholders including NGO¹², to continuously update and refine our procurement policies, collaborating with all parties to achieve sustainable raw material management.

98.3%

of the pulp purchased came from certified or controlled plantations

10

wood pulp suppliers were PEFCTM certified

9

wood pulp suppliers were FSC® certified



¹² NGO: Non-Governmental Organizations.

Ecological Conservation of Poyang Lake

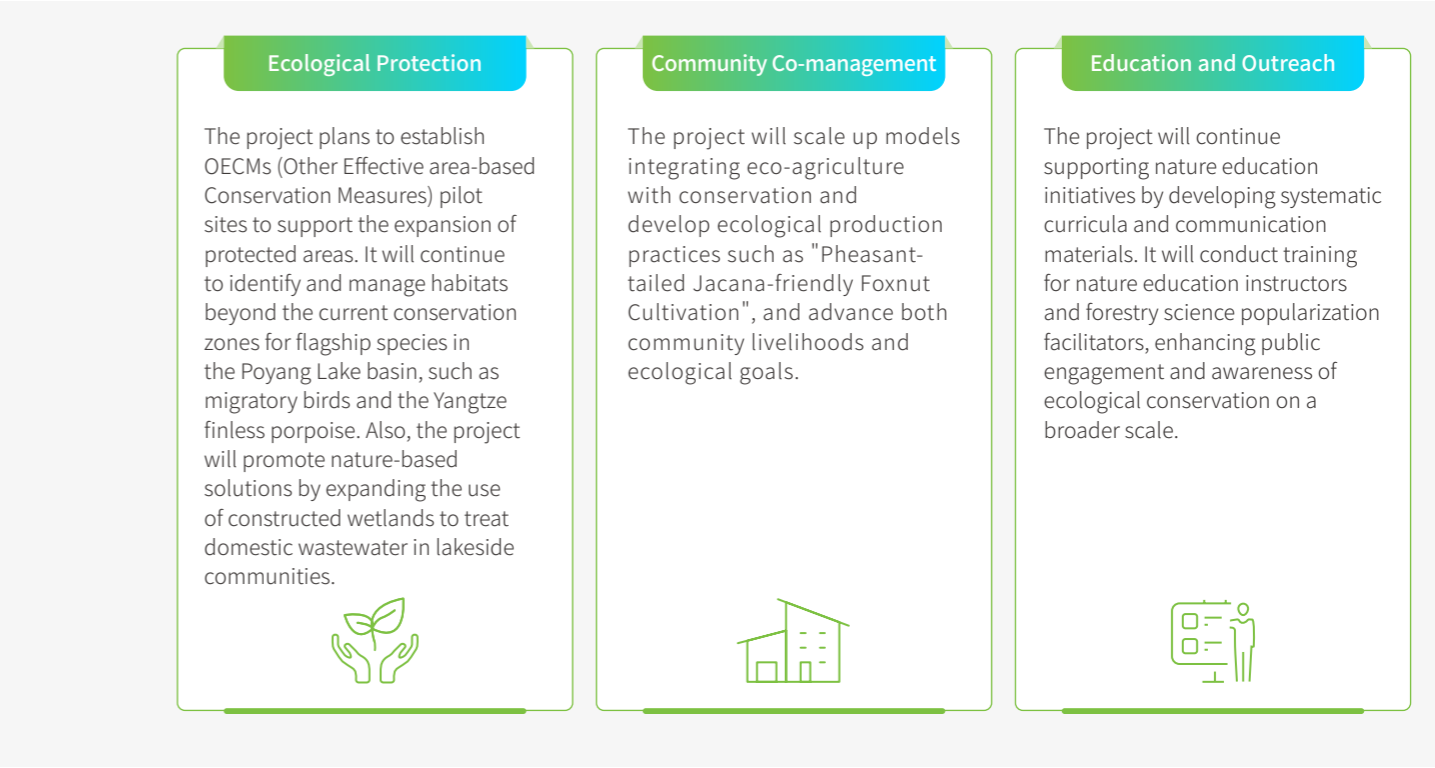
Since 2019, Sateri has partnered with Conservation International (CI¹³) to launch the Poyang Lake Freshwater Health and Wetland Conservation Project. This initiative is dedicated to maintaining ecosystem health, enhancing its ecosystem services for human well-being, and protecting critical habitats for endangered species.



¹³ CI: Conservation International.



Sateri and Conservation International Launched the Third Phase of the Poyang Lake Wetland Ecological Conservation Project in 2024



Main Plans for Poyang Lake Freshwater Health and Wetland Conservation Project Phase III (2024-2027)

Scientific Assessment and Planning

Sateri supports a science-based integrated and collaborative management approach for the governance of the Poyang Lake basin. By the end of the Reporting Period, the Sateri Poyang Lake Freshwater Health and Wetland Conservation Project had produced a total of 26 reports, 2 publications, and 21,100 promotional materials since 2019, making substantial contributions to exploring scientific pathways for ecological and environmental protection.

We leverage Conservation International's professional expertise in freshwater ecosystems and wetland conservation, applying their innovative practices to Poyang Lake basin governance. By adopting the Freshwater Health Index (FHI)¹⁴ assessment framework, we systematically evaluate the health status of the Poyang Lake ecosystem, providing a scientific basis and decision-making support for conservation efforts.

We supported the Institute of Zoology, Chinese Academy of Sciences, in collaboration with the Jiangxi Poyang Lake Yangtze Finless Porpoise Provincial Nature Reserve, Jiangxi Duchang Migratory Bird Provincial Nature Reserve, and Kangshan Migratory Bird Nature Reserve, to conduct surveys and analysis using eDNA technology on the impact of Poyang Lake fish diversity on the Yangtze finless porpoise under global climate change. This research proposed conservation

measures for the porpoise and its habitat and complied reports including the *Poyang Lake eDNA Fish Diversity Monitoring Technical Framework*, the *Investigation and Research on the Status of Prey Fish Resource Diversity for the Yangtze Finless Porpoise in Poyang Lake under Global Climate Change*, and the *Policy Recommendations for the Ecological Conservation of the Yangtze Finless Porpoise in Poyang Lake*, providing crucial technical support and policy basis for the scientific conservation and sustainable management of the Poyang Lake ecosystem.

Over the past few years, through an innovative model of scientific planning and community collaboration, we successfully enhanced the conservation capacity, management effectiveness, and influence of the Maying Lake Community-based conserved area. In March 2023, we organized experts to complete *Constructing a New Pattern of Ecological Conservation of Maying Lake – Maying Lake Protection and Management Recommendations*, recommending to extend the Maying Lake area to include the entire outer lake area of Xinmiao Lake, incorporating it into the Duchang Migratory Bird Nature Reserve and Jiangxi Provincial Ecological Protection Red Line, or designating it for protection management as an important provincial-level or above wetland.

In 2024, we achieved further breakthroughs:

- In September, the Jiujiang Duchang Maying Lake Community-based conserved area was nominated to be China's first cohort list of OECMs (Other Effective Area-based Conservation Measures);
- In October, following a field visit and approval by the OECMs China Specialist Group, the Maying Lake case was internationally introduced at the 16th session of the Conference of the Parties (COP16) of Convention on Biological Diversity.



This series of achievements signifies the significant success of our protected area expansion strategy of "Scientific Assessment - Community Co-construction - International Certification", providing a replicable innovative model for wetland conservation.

¹⁴ <https://www.freshwaterhealthindex.org>

Pilot Demonstration and Ecological Restoration

The Company continues to advance the exploration and practice of synergistic innovation models integrating ecological protection and community development. We have constructed five small-scale constructed wetlands at the two demonstration sites in Duchang and Kangshan. These are expected to treat over 50,000 tonnes of domestic wastewater annually. After treatment, the effluent quality meets the Class 1-A standard specified in the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants (GB18918-2002)*.

Sateri's Constructed Wetland Projects Assist Ecological Restoration



We established four small-scale constructed wetlands in Duobao Township, Duchang County, Jiujiang City to collect domestic wastewater from the entire village, with a maximum daily treatment capacity of 43 tonnes. The annual treatment volume is expected to exceed 15,000 tonnes, alleviating the purification pressure on Poyang Lake.



Constructed Wetland in Xu Village, Duobao Township, Duchang County

We upgraded a constructed wetland at the Kangshan community demonstration site in Yugan County, Shangrao City. It can treat up to 100 tonnes of domestic wastewater per day, and is expected to reduce wastewater entering Poyang Lake by at least 36,000 tonnes annually. A village management team was established locally to organize the construction and maintain the operation and management of the small-scale wetland.



Upgraded "Shanbei Lotus Pond" in Kangshan Township, Yugan County

Community Participation and Alternative Livelihoods

Sateri closely integrates community development with ecological protection, achieving "win-win" outcomes through co-management and shared benefits. In Duobao Township, Duchang County, Jiujiang City, we supported communities in developing alternative livelihoods such as eco-tourism reception and specialty aquaculture tailored to local conditions. We assisted in establishing farm stays and homestays like "Manman Fish Village" and "Flying Bird Homestay". Statistics show that during the migratory bird season, "Manman Fish Village" alone can receive about 20 tables of tourists per month, generating monthly income of approximately RMB 6,000, creating a virtuous cycle of ecological and economic benefits.

Sateri Develops Eco-products for Duchang Migratory Bird Communities to Drive Community Economic Development

Based on the agricultural characteristics of the Duchang migratory bird communities, we organized villagers to develop a purely handmade eco-product – "Black Sesame Candy Loved by Herons". From December 2023 to March 2024, 560 packages were sold successfully, generating additional income of RMB 8,400 for the community.





Eco-product from Maying Lake Community, Duchang County - Black Sesame Candy Loved by Herons

In the Kangshan community, Yugan County, on the southern shore of Poyang Lake, we collaborated with Conservation International to invite universities to conduct research on the fishing village, plan community transformation solutions, and leverage RMB 150,000 in corporate funding to support local freshwater ecological protection activities. Addressing the challenge of community economic pathways under the Yangtze River "Ten-Year Fishing Ban" policy, we compiled the *Planning Report on Rural Revitalisation and Sustainable Development of Kangshan Community in Poyang Lake*, providing reference for the community to seek alternative livelihood.

Sateri Supports Eco-tourism and Nature Education in Kangshan Community, Yugan County

We developed a branding and visual identity system for the Kangshan community, establishing a unified concept, logo, and IP image for ecological protection and community economic development. We progressively completed the decoration of Kangshan village. Additionally, we created 12 wall murals along main roads, 20 IP character paintings, and 6 road sign indicators. This not only enriched rural cultural life but also laid the foundation for receiving eco-tourism and nature education activities.



Kangshan Community Branding and Visual System and Wall Mural Designs

With the support of our project, residents in the communities of Duobao Township, Duchang County and Kangshan Township, Yugan County have cumulatively increased their income by over RMB 140,000 in the past three years through activities such as participating in ecological project construction, developing eco-products, operating farm stays, and maintaining migratory bird libraries. The environmental awareness and sense of participation among community members have also significantly increased. They have begun to transform ecological advantages into development momentum, achieving coordinated progress in livelihood improvement and ecological conservation.

Capacity Building and Nature Education

Ensuring the sustainable operation of the project requires enhancing the capacity of local stakeholders as a crucial part of the implementation pathway. On one hand, we conduct training and exchange sessions for protected area management institutions and personnel to improve their skills in scientific monitoring, patrol enforcement, and community co-construction. Sateri supports the Poyang Lake protected area network and the community co-management model for wetland ecosystems through professional training, facility construction, and financial support, contributing to improved protected area management capacity.

Professional Training

- We organized a capacity building and pathway exploration workshop for civil organizations in Duchang County, sharing institutional establishment and management experiences, as well as cooperative operational models for conservation and development. Approximately 30 participants from the Duchang Nature Reserve, Kangshan Nature Reserve, and seven civil organizations attended the training.
- We conducted practical training on bird rescue and treatment, equipping 30 rangers from seven civil associations with fundamental knowledge and methods for bird rescue. This initiative provides more professional guidance for future bird rescue operations.

Facility Development

- Driven by the project, the Duchang County Government delivered a patrol vehicle to the Duchang Migratory Bird Provincial Nature Reserve and another government department, significantly improving patrol conditions for the reserve.
- The project supported hardware upgrades and consumable procurement for the Duchang Poyang Lake Migratory Bird Rescue Hospital and the Duchang Wildlife Rescue Association.
- We provided technical guidance for the communication facility upgrades at the Duobao Monitoring Station under the Duchang Migratory Bird Nature Reserve Administration and the Wild Goose Conservation Association.

Funding/Material Support

- Under the project's leadership, external partners donated RMB 150,000 to the Migratory Bird Library. These funds supported the renovation of its kitchen and backyard, while also enriching the library's collection through book donations.
- Sateri and its partner Semir Group donated 200 sets of winter patrol uniforms to the Duchang Migratory Bird Provincial Nature Reserve and the Kangshan County Migratory Bird Nature Reserve.

Conducting Wetland Management Capacity Building Training to Enhance Professional Skills

By the end of 2024, in partnership with the Jiangxi Provincial Department of Forestry and Food and Agriculture Organization of the United Nations (FAO¹⁵) - Global Environment Facility (GEF¹⁶) Jiangxi Wetland Protected Area System Demonstration Project, we conducted three capacity-building training sessions for over 100 wetland managers from Shangrao, Jiujiang, and Nanchang. The training was delivered in the form of participatory workshops, building bridges for communication and exchange, and effectively enhancing the professional skills of wetland managers. We will further cooperate and provide a series of training for more wetland managers in other regions of the province.



¹⁵ FAO: Food and Agriculture Organization of the United Nations.

¹⁶ GEF: Global Environment Facility.

Simultaneously, we place great emphasis on promoting ecological culture and nature education. The project co-established the "Swan Library" within Kangshan Central Primary School in Yugan County. We donated RMB 50,000 for the library, purchasing 4 desks, 9 bookshelves, 28 chairs, 10 bird pictures, 1 projector, and 647 nature-themed books. The library is open to all 806 teachers and students at the school. Furthermore, we utilize the Swan Library to carry out wetland nature education activities. Teachers and students created and performed a nature-themed performance titled *Who is the Prettiest Bird in the Poyang Lake?* centered on bird conservation. It has received praise from visiting guests on multiple occasions and has become a signature feature of the school and Kangshan Township.



Swan Library at Kangshan Township Central Primary School and performance of the migratory bird protection

Conducting Nature Education Activities to Disseminate Conservation Knowledge



We continue to deepen the construction of the Poyang Lake nature education system and carry out diverse nature education activities:

In January 2024, we supported the Jiangxi Protected Area Construction Center, in collaboration with Nanjing Changshu Ecological Research Institute, to conduct a nature education activity in Kangshan. It recruited over 30 participants from 15 families in Nanchang. Thirty students from Kangshan Central Primary School not only performed the bird protection performance but also participated in nature survival games, learning about wildlife protection knowledge.

In March 2024, we supported the Jiangxi Protected Area Construction Center, in collaboration with the Jiangxi Bird Watching Association, to organize the "Hundred Wetlands, Thousand Schools, Ten Thousand People" Nature Education Talent Reserve Experience Exchange Activity in Nanchang, Shangrao, Jiujiang, etc. Over 40 participants attended, including representatives from internationally (domestically) important wetlands and national wetland parks across the province, as well as nature education practitioners.

Additionally, we have conducted 2 online bird watching live streams, reaching over 2,000 participants.



Organizing Nature Education Activities for Primary and Secondary School Students from Nanchang in Lushan and Kangshan

Policy Influence and Results Dissemination

During implementation, the project emphasizes transforming practical experience into policy recommendations and replicable models to achieve broader impact. Through scientific research, the project has produced a series of reports and recommendations aimed at decision-makers.

We completed the *Duchang Nature Reserve Wetland Biodiversity Monitoring Technical Regulations* and the *From Backyard to Watershed: A Practical Roadmap for Corporate Water Stewardship*, guiding biodiversity monitoring and management in the Duchang Provincial Nature Reserve while also providing a clear pathway and methodology for enterprises to develop freshwater health management strategies applicable to different watersheds and their own production facilities.

In 2024, we completed and published the *Duchang Migratory Bird Nature Reserve Biodiversity Scientific Survey Report*. This is the first scientific survey report for the Duchang Reserve, laying a solid foundation for enhancing its management level. It is of great

significance for the construction, management, and long-term development of the Duchang Nature Reserve.

Aiming to enhance public ecological awareness and cultivate local conservation capacity, we integrate protected area resources with community participation mechanisms to actively build nature education platforms. During the Reporting Period, the Migratory Bird Library in Duchang County and the Swan Library at Kangshan Central Primary School in Yugan County, supported by the project, have been awarded by the Chinese Society of Forestry as the first cohort of national "Nature Library". Kangshan Central Primary School in Yugan County was also approved as a "Jiangxi Provincial Nature Education Base" concurrently. Furthermore, the project signed a strategic cooperation agreement with the Jiangxi Forestry Society for drafting a provincial nature education development plan and organizing nature education instructor training, providing a sustainable public participation model for the ecological civilization construction in the Yangtze River Basin.



The Migratory Bird Library in Duchang County and the Swan Library at Kangshan Central Primary School in Yugan County, Supported by the Project, Have Been Awarded by the Chinese Society of Forestry as the First Cohort of National "Nature Library"

The project supported partners for 4 consecutive years from 2021 to 2024 to carry out public awareness raising activities such as science popularization, legal awareness campaign on wildlife protection, and nature experiences on commemorative days like World Wetlands Day, World Environment Day, and International Day for Biological Diversity. Partners have successively broadcast promotional videos on Jiangxi Satellite TV, displayed promotional videos and large-screen subtitles at Nanchang Airport, subway stations, the Honggutan Greenland Twin Towers, and the building of Jiangxi Provincial Department of Forestry. They distributed awareness posters in 11 cities and counties across the province, reaching approximately 2 million people. Sateri is committed to conveying the concept of ecological protection to more people. By the end of the Reporting Period, the project supported and conducted nature education activities directly impacting over 100,000 people and established 5 nature education venues. Currently, the nature education and awareness-raising impact of the Poyang Lake Freshwater Health and Wetland Conservation Project have exceeded 2.1 million people.

The project supported partners for **4** consecutive years to carry out public awareness raising activities such as science popularization, legal awareness campaign on wildlife protection, and nature experiences

Currently, the nature education and awareness-raising impact of the Project have exceeded

2.1 million people

CLOSED LOOP PRODUCTION

Our Position

The National Development and Reform Commission has pointed out¹⁷ that the implementation of cleaner production is an inevitable requirement for high-quality development, and that supporting sustainable economic and social development with as little resource consumption and pollutant emissions as possible is an inevitable choice for accelerating the construction of an ecological civilization and realizing sustainable economic and social development. As a key link in the upstream of the textile industry chain, Sateri is not only committed to its own sustainable transformation, but also takes the initiative to respond to the environmental requirements of the supply chain of downstream purchasing enterprises, and reduce the environmental impact of apparel production from the source.

Sateri has always adhered to the concept of closed-loop production, and with the vision of "becoming a leader in regenerated viscose fibres with a 'net positive impact'" as its guide, Sateri has been promoting the practice of sustainable development, upgrading its environmental management measures, and striving to reduce the environmental impact of its production and operation. We are working to minimize the environmental impact of our production and operations by upgrading our environmental management measures. At the same time, we will minimize emissions and maximize the recycling of resources throughout the entire industrial chain, and work with all parties to promote a closed-loop production model.

Our Goals and Progress

Sateri is committed to the concept of green development and is actively building an environmentally friendly production system. To this end, we have set clear quantifiable and traceable targets to ensure the steady progress of cleaner production. During the Reporting Period, Sateri's targets and processes in terms of emission management and resource saving were as follows:

Our Goals	Progress in 2024
Build a clean and closed loop production system at all viscose mills and deliver on the following targets:	<ul style="list-style-type: none">Indicators such as wastewater sulfide emissions per unit of product and wastewater zinc (Zn) emissions per unit of product of the viscose mills showed year-on-year downward trendsAll Sateri's viscose mills have passed the ISO 14001 certificationAll Sateri's mills have passed the STeP by OEKO-TEX® verification for sustainable textile production certified by Oeko-Tex Association
<ul style="list-style-type: none">All viscose mills will meet EU-BAT limits by 2023	<ul style="list-style-type: none">All viscose mills meet EU-BAT requirements
<ul style="list-style-type: none">All viscose mills will meet ZDHC MMCF Guidelines Progressive Level by 2023All viscose mills will achieve ZDHC-MMCF Guidelines Aspirational Level by 2027	<ul style="list-style-type: none">Sateri's five viscose mills have successfully achieved the Aspirational level requirement in the latest edition of the <i>ZDHC Man-Made Cellulosic Fibre (MMCF) Guidelines</i> issued by the Zero Discharge of Hazardous Chemicals (ZDHC)¹⁸
<ul style="list-style-type: none">All viscose mills will achieve total sulphur recovery above 98% by 2025	<ul style="list-style-type: none">Sateri's viscose mills have achieved an average total sulphur recovery rate of 97.6%, with three of them reaching 98% and continuing to make progress
<ul style="list-style-type: none">All viscose mills will achieve zero waste to landfill by 2025	<ul style="list-style-type: none">Viscose mills and Lyocell mill achieve zero landfill of general solid wasteViscose mills' general solid waste generation per unit of product decreased by approximately 23% year-on-year
<ul style="list-style-type: none">Further reduce water intensity beyond EU-BAT level and significantly increase wastewater recycling rate	<ul style="list-style-type: none">Viscose mills' water intensity per unit of product was 33.07 m³/ton of product

Awards and Certifications

- Sateri (Fujian) Fibre Co., Ltd. was granted as the "Fujian Provincial Manufacturing Leading Enterprise"
- Sateri (Jiangsu) Fibre Co., Ltd won the 2024 Park Outstanding Contribution Award of Ecological Chemical Technology Industrial Park

Related Sustainable Development Goals



¹⁷ https://www.ndrc.gov.cn/xwdt/ztzl/qjsctx/zcjd2/202112/t20211204_1306902.html
¹⁸ ZDHC: Zero Discharge of Hazardous Chemicals.

Emission Management

Our Commitments

Sateri takes compliance emission as a mandatory standard, and on this basis promotes the full implementation of the clean closed-loop production system, builds up a scientific and standardized emission management process with monitoring and evaluation, analysis and review, and improvement and upgrading as the logical chain to guarantee the systematic, effective and sustainable emission management work.

We continue to improve emission management measures, covering all aspects from source control, process management to end-of-pipe disposal, supported by systematic management, guaranteed by external supervision and certification, and aiming at reducing pollutant emissions, so as to effectively reduce the impact of production and operation on the environment.

Our Governance

Sateri strictly abides by the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations as well as industry standards. We identify key topics such as chemical management, wastewater management, exhaust gas management and waste management based on our operational characteristics, and have formulated internal management systems such as the *Chemical Safety Management System*, the *Production Waste Management System*, the *Environmental Monitoring and Management System* and the *Emission Tax Calculation and Declaration System*, to ensure legal compliance in the process of strictly implementing the main responsibility of corporate pollution prevention and control.

Guided by internal and external institutional norms, we have established a governance structure with multi-departmental participation and clear lines of responsibility to manage emissions-related matters in a coordinated manner and report to the Management Committee on a regular basis to ensure effective oversight of the Company's emissions management efforts.

Our Management Strategy

Sateri has constructed a sound environmental management system that incorporates the concept of sustainable development throughout the entire process of production and operation. We strictly implement the requirements and practices for the management of emissions of chemicals, wastewater, exhaust and waste, and make every effort to promote the realization of the concept of closed-loop production.

In order to guarantee the effectiveness and scientificity of the environmental management system, Sateri's plants regularly conduct internal and external audits, and optimize the management approach based on the audit results. During the Reporting Period, the environmental management system certifications we obtained include:

Name	Scope	Result
ISO 14001	All Sateri's viscose mills	All Sateri's mills have passed the ISO 14001 certification. Each mill re-identifies and evaluates environmental factors annually in accordance with the requirements of the <i>Procedures for Identification and Evaluation of Environmental Factors</i> , and establishes control measures at different levels for each identified environmental factor. We implement key controls on the identified critical environmental factors. For example, chemicals, wastewater discharge, air emissions, and hazardous waste treatment are the focus of environmental protection control in factories, and special control plans have been formulated.
Higg FEM	All Sateri's viscose mills	With a FEM 4.0 score of 86, SFJ is among the industry leaders and continues to maintain a high level of performance in the areas of pollution control, energy management, and waste management.
EU-BAT	All Sateri's viscose mills	The EU BAT assessment report shows that the Sateri viscose mills are at the internationally advanced level in terms of raw material consumption, energy consumption, wastewater and gas emissions, and total sulphur recovery rate.
STeP by OEKO-TEX®	All Sateri's viscose mills	Sateri's strong commitment to sustainable production is demonstrated through third-party certification systems that provide a long-term foundation for sustainable production and working conditions at production facilities in the supply chain and drive continuous optimization.
ZDHC MMCF Guideline	All Sateri's viscose mills	Sateri's five viscose mills have successfully achieved the Aspirational level requirement in the latest edition of the <i>ZDHC Man-Made Cellulosic Fibre (MMCF) Guidelines</i> issued by the Zero Discharge of Hazardous Chemicals (ZDHC).

The effectiveness of the implementation of the environmental management system is closely related to the employees' environmental awareness and emergency response capability. In order to enhance the effectiveness of environmental management, we regularly organize various types of training and emergency drills, creating an environmentally friendly cultural atmosphere in which all employees participate. At the same time, Sateri attaches great importance to external cooperation to improve the level of environmental management and actively carries out external joint research and experience sharing to explore innovative modes of emission management.



Sateri Emissions Management Training

Our Actions

Sateri controls emissions from its manufacturing operations and continues to strengthen its emissions management. Our regulatory system covers four key areas, including chemicals management, wastewater management, air emission management, and waste management, to ensure that every aspect of our emissions meets strict standards and minimizes environmental impact.

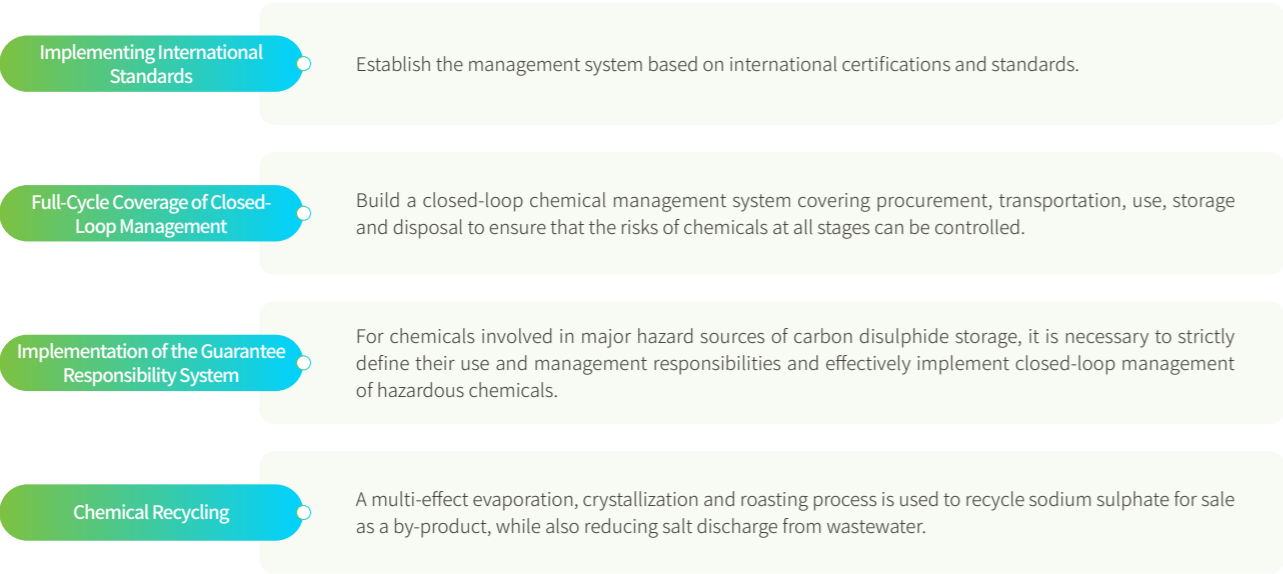
In the field of chemical management, we strictly follow the requirements of laws and regulations to ensure the safety and closed-loop management of chemicals, and continue to explore ways to reduce the use of chemicals and actively layout the application of green alternative products. In the field of wastewater treatment, we vigorously introduce

and use advanced treatment processes, technologies and equipment to achieve standardized discharge of wastewater and reduce emissions. In the field of exhaust gas control, we strictly implement exhaust gas control and sulphur recovery measures, and do our best to minimize the impact of exhaust gas emissions on air quality. In the area of waste disposal, we actively improve the efficiency of resource utilization through waste classification, recycling, and reuse.

Sateri is committed to continually improving its emissions management capabilities. On the basis of ensuring emissions compliance, we are constantly promoting continuous improvement programs to strengthen closed-loop production.

Chemicals Management

Sateri strictly abides by the *Law of the People's Republic of China on Work Safety*, the *Regulations on the Safety Management of Hazardous Chemicals* and other laws and regulations. We have formulated the *Chemical Safety Management System* as the basis of the system and established and strictly operated the closed-loop management system for caustic soda, sulfuric acid, carbon disulfide and other chemicals.



Sateri Chemical Management Advantages

Sateri regularly carries out continuous improvement programs for chemicals and actively explores the possibility of reducing the use of chemicals. During the Reporting Period, the unit product consumption of chemicals such as caustic soda at the viscose mills decreased, of which the unit product consumption of zinc sulfate at the viscose mills decreased by approximately 12% year-on-year.

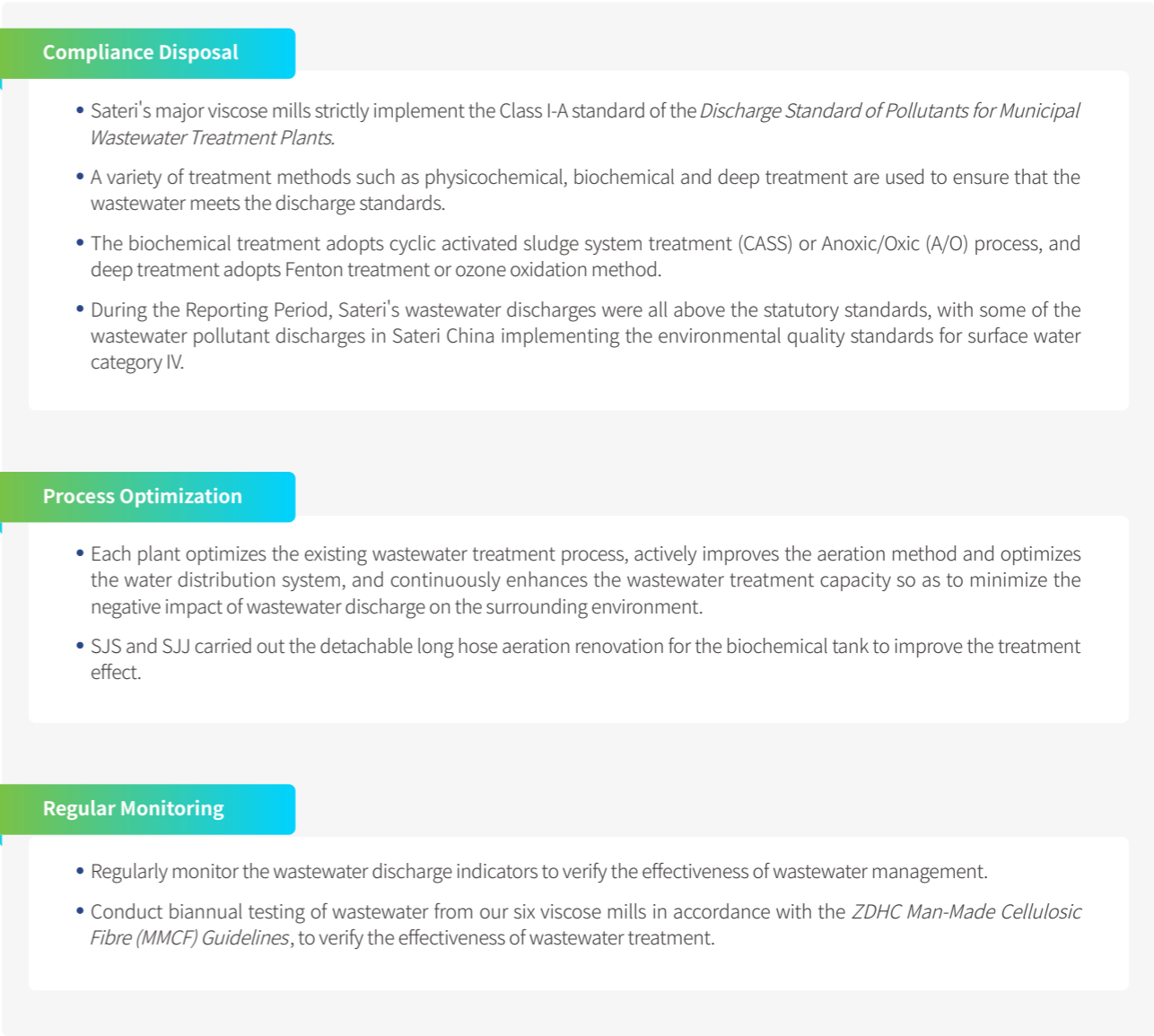
Alkali Consumption Optimization Project of SYC

In 2024, SYC set up a project team to address the problem of high alkali consumption, and reduce the number of white cores through the introduction of equipment and process optimization, successfully reducing the alkali consumption per tonne of product by about 3%.

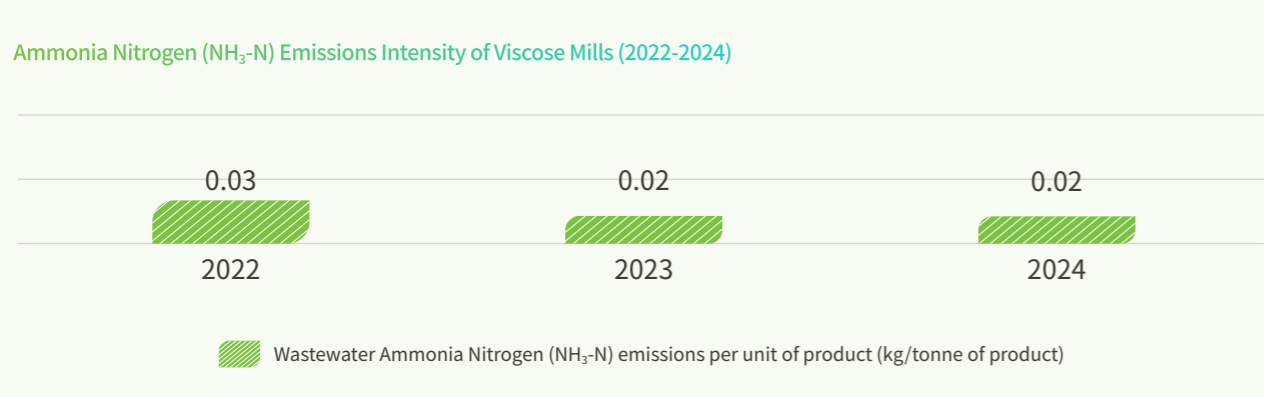
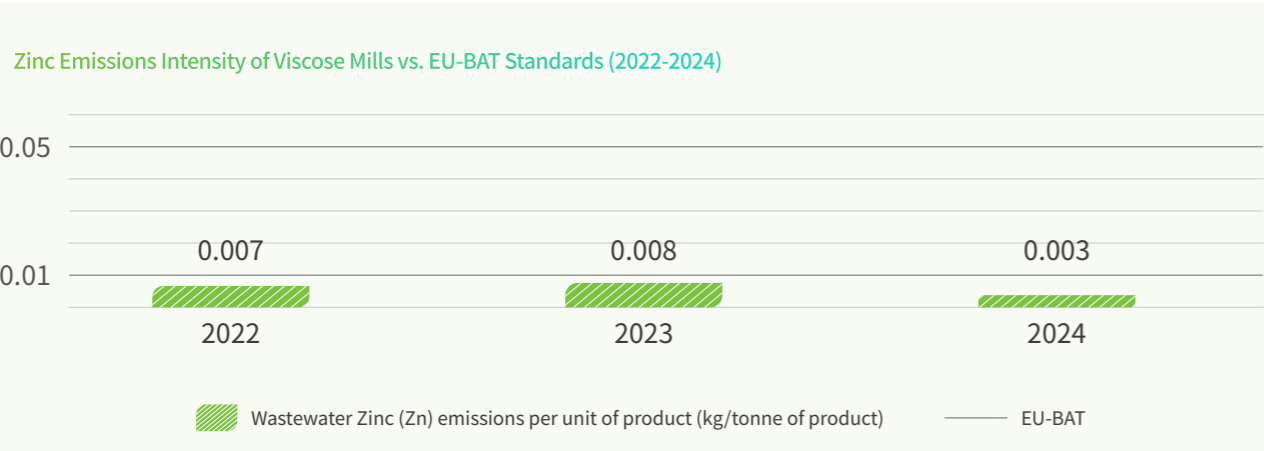
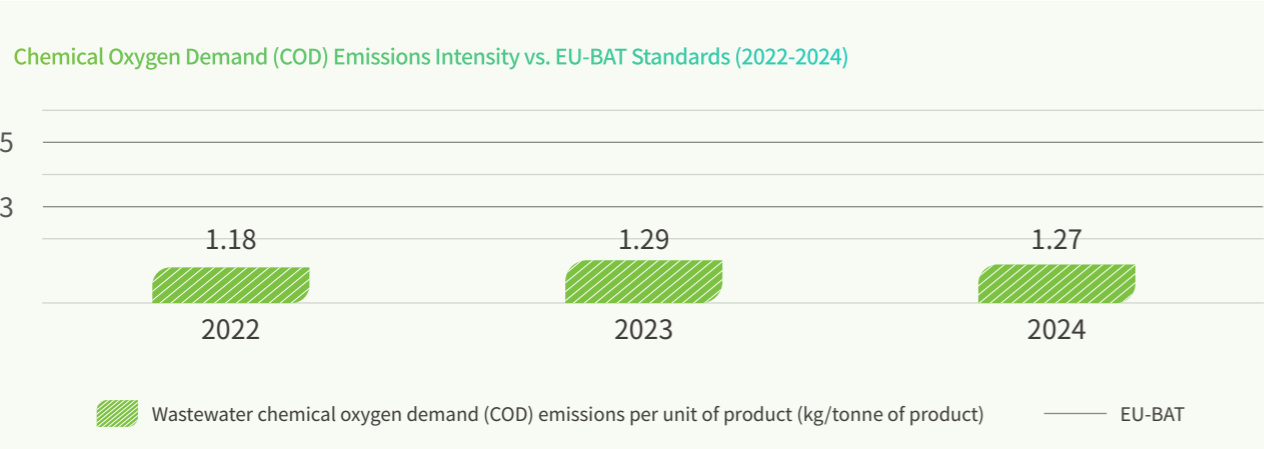


Wastewater Management

Sateri places great emphasis on wastewater management and ensures that the wastewater treatment is compliant, efficient, and environmentally-friendly through scientific management systems and technical means.

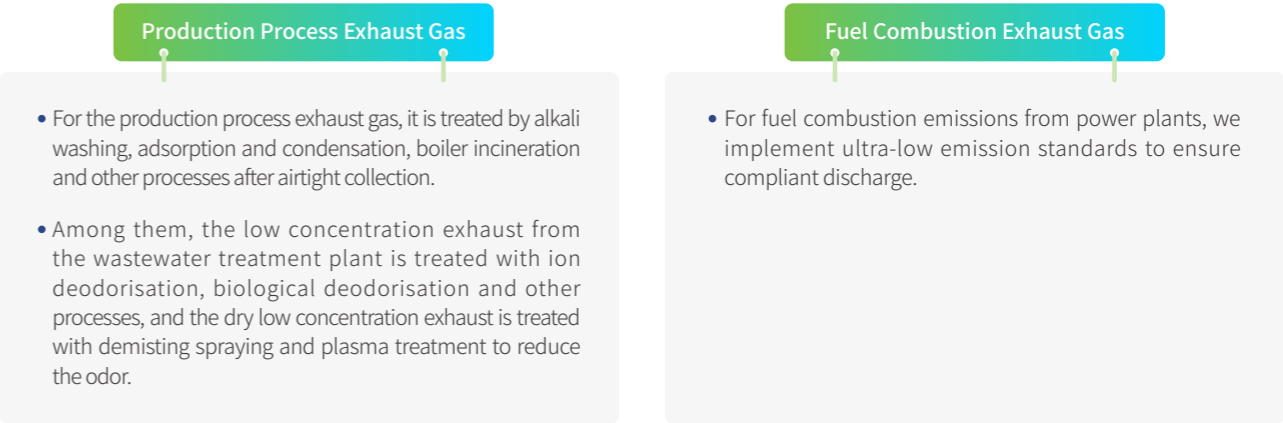


Through systematic wastewater management and continuous improvement measures, Sateri has achieved stable compliance and year-on-year reduction of wastewater pollutant discharge concentration. During the Reporting Period, the amount of sodium sulphate recovered by the viscose mills was 506 kg/tonne of product, and the indicators such as wastewater sulfide emissions per unit of product and wastewater zinc (Zn) emissions per unit of product of the viscose mills showed year-on-year downward trends.



Air Emission Management

Sateri is constantly exploring advanced technologies and is committed to continuously improving its exhaust gas management capabilities. Our air emission is mainly divided into two categories, which are production process exhaust gas and fuel combustion exhaust gas, and we have established targeted treatment methods for different types of exhaust gas.



In the production of regenerated viscose fibres, the exhaust gases mainly contain carbon disulphide and hydrogen sulphide¹⁹. Sateri continuously promotes the optimization of its sulphur recovery program and strictly controls the sulphur recovery rate in accordance with national standards for cleaner production standards and the EU-Best Available Techniques (EU-BAT) standards.

On this basis, we have actively explored advanced technologies and practical methods, and efficiently implemented measures such as sulphur recovery, dust control, and equipment upgrading to effectively reduce emissions and significantly improve the level of exhaust gas management.

Application of Sulphur Recovery Technology to Strictly Control Sulphur Emissions

- Sateri utilizes condensation recovery, alkali washing, and activated carbon adsorption technologies to efficiently recover sulfide, and the adsorbed exhaust gas is directed to a boiler for incineration, strictly controlling the sulphur in the air.

Conducting Dust Control to Reduce Fugitive Emissions

- Sateri effectively reduces fugitive emissions by implementing dust control measures. In terms of coal management, spraying is used to reduce dust and closed management; fly ash and coal slag are stored in closed warehouses, and closed fences are set up at the discharging ports. In addition, the main roads in the plant are regularly sprinkled with water to reduce the fugitive emission of dust.

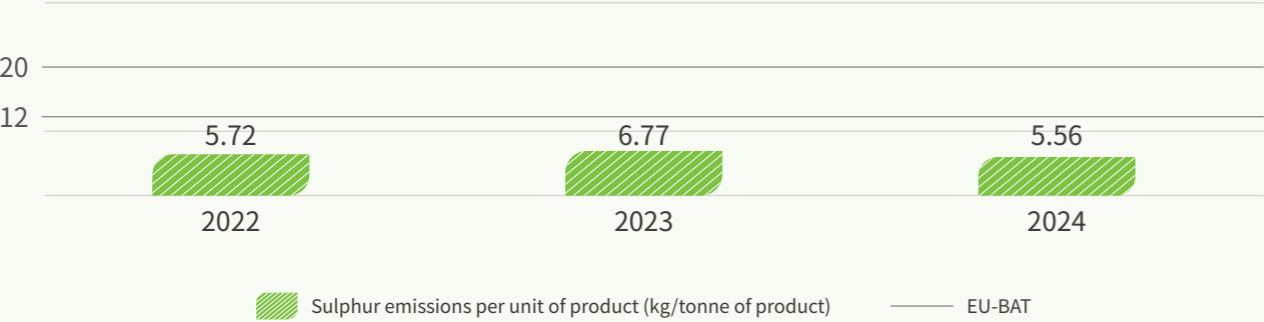
Upgrading Environmental Protection Equipment

- During the Reporting Period, SJS replaced the flue gas online equipment of the power plant to strengthen the monitoring and management of exhaust gas.
- During the Reporting Period, three plants including SJJ installed intelligent access control systems in the logistics corridors to ensure that vehicles with substandard emissions were prohibited from entering the plants during heavy polluted weather.

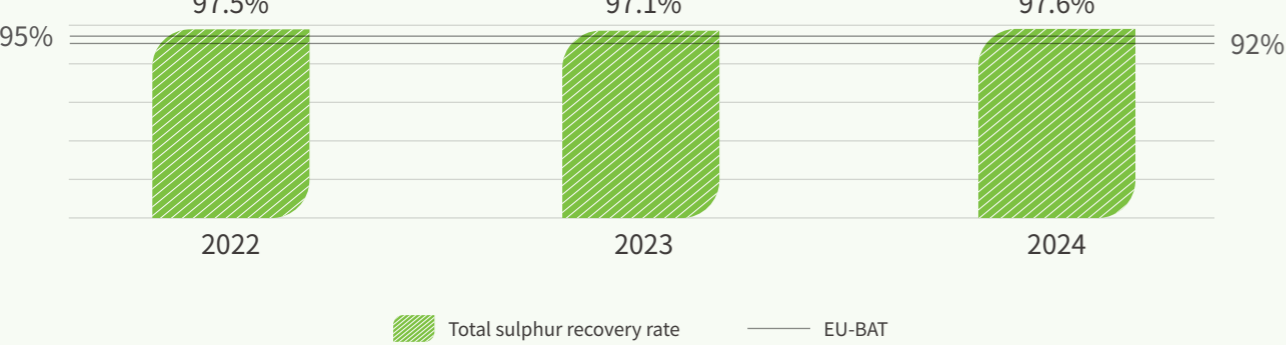
¹⁹ Assessment Indicator System of Cleaner Production in the Circular Viscose Fibre Manufacturing Industry (Viscose Method): <https://www.ndrc.gov.cn/xxgk/zcfb/gg/201901/W020190905485837754024.pdf>

Sateri's viscose mills continued to control sulphur emissions. During the Reporting Period, our viscose mills' sulphur emissions per unit of product were 5.56 kg/tonne of product, with a total sulphur recovery rate of 97.6% achieved.

Sulphur Emissions Intensity of Viscose Mills vs. EU-BAT Standards (2022-2024)



Total Sulphur Recovery Rate of Viscose Mills vs. EU-BAT Standards (2022-2024)



Waste Management

Sateri strictly controls the whole process of waste generation, storage, transportation and disposal to ensure the harmlessness of waste disposal. For hazardous waste, Sateri not only ensures that its classification, labeling and record-keeping comply with applicable laws and regulations, but also entrusts qualified third-party organizations to dispose of it, such as recycling and reusing waste activated carbon, so as to minimize the risk of environmental pollution as much as possible. In 2024, the plants further implemented the *Standard for Pollution Control on Hazardous Waste Storage* and the *Technical Specification for Setting Identification Signs of Hazardous Waste* by installing relevant equipment such as electronic weighbridge, electronic tags and QR code application and other related equipment to realize data interconnection and further enhance the intelligent management level of hazardous waste.

Sateri's non-hazardous wastes includes general industrial waste and domestic waste, of which domestic waste is collected and treated by the park. Adhering to the concept of efficient utilization of resources, we have continued to increase the proportion of general solid waste recycled and reused. During the Reporting Period, Sateri's viscose mills and Lyocell plant achieved zero landfill of general solid waste, with a recycling and reusing ratio of 76% and an energy recovery ratio of 24%.

Energy Recycling

- Wastes such as sludge, waste tow (unusable portion), waste rubber, waste alkali fibre, waste diatomaceous earth and other wastes are sent to power plants for incineration to promote the energy utilization of waste.

Resource Recycling

- Waste fibres are sold to professional resource recycling companies for reprocessing, which in turn transforms them into raw materials for yarn production, realizing the recycling of resources.

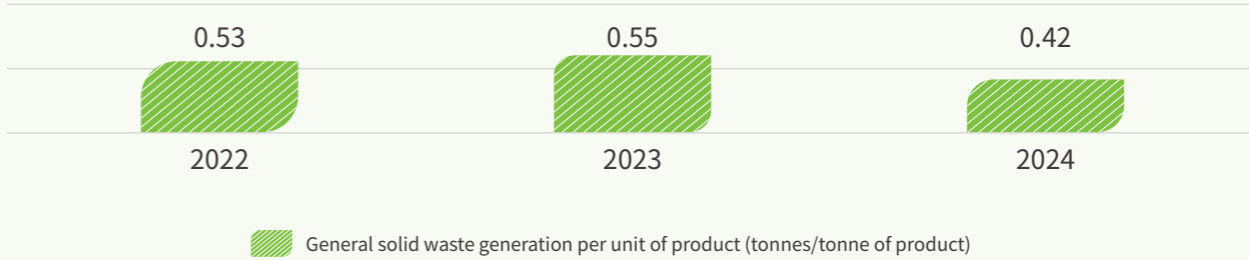
Functional Recycling

- We sell fly ash for use in cement production and employ qualified third-party companies to dispose of coal slag, coal ash, and desulfurization gypsum to for use in building materials manufacturing, mixing plants and brick making, thereby recycling waste.

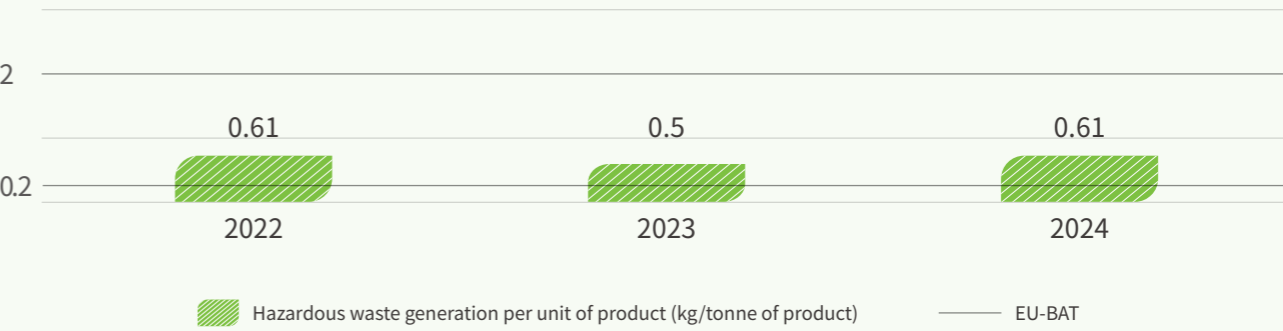
Sateri Waste Resource Recycling and Reuse

We are committed to continuously strengthening our waste management measures, actively reducing the generation of waste at source and lowering resource consumption. During the Reporting Period, the amount of general solid waste generated per unit of product at our viscose mills reached 0.42 tonnes per tonne of product, representing a year-on-year decrease of approximately 23%, while the amount of hazardous waste generated per unit of product in our viscose mills amounted to 0.61 kg per tonne of product.

Trends in Viscose Mills' General Solid Waste Indicator (2022-2024)



Hazardous Solid Waste Indicator of Viscose Mills Vs. EU-BAT Standards (2022-2024)



Resource Saving

Our Commitments

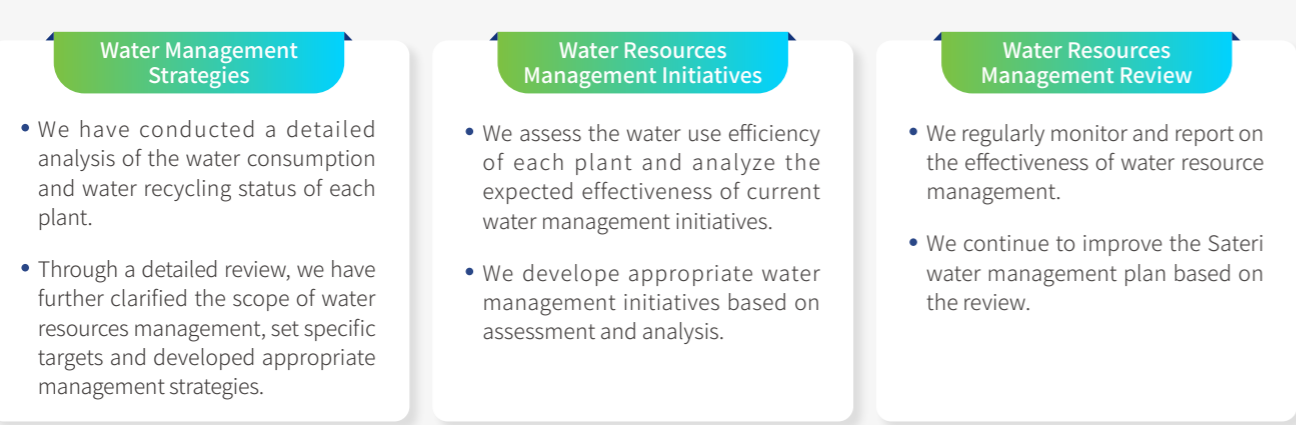
As the world's leading producer of viscose fibres, Sateri understands the importance of resource management, and always adheres to the concept of sustainable development, and is committed to resource-saving development in all aspects of production and operation. We focus on the management of water resources and packaging materials, and through the continuous optimization of production processes, the adoption of advanced technologies and management measures, we are constantly exploring the use of reduced resources and resource recycling, further promoting the enterprise towards a greener and more efficient mode of development.

Our Governance

Sateri strictly follows the *Water Law of the People's Republic of China* and other relevant laws and regulations as well as industry norms, formulates and implements internal systems and policies related to water resource management and the use of packaging materials, and regulates the management of resources and the use of behavior. At the same time, we have built a governance structure covering multiple functional departments, which is responsible for promoting matters related to water resource protection and packaging material use, and reporting to the Management Committee on a regular basis to provide solid support for resource management work.

Our Management Strategy

Sateri has developed and continuously improved its water resource management process to optimize the use of water resources by transforming the way water is used and improving the efficiency of water use. We take water consumption and water recycling rate as key monitoring indicators, and conduct regular surveys on water management at each plant to continuously track the results of water management and provide a practical basis for stage-by-stage water conservation programs.



Sateri Water Resources Management Process

Sateri's products have little packaging needs due to their attributes and we mainly focus on the use of consumables in the logistics and transportation process. We have included the management of packaging materials into the scope of continuous improvement projects, and actively explored the possibility of reducing, replacing, and recycling packaging materials in the logistics and distribution process.

Our Actions

Sateri understands the importance of resource conservation for sustainable development and has taken effective measures to strengthen water conservation and packaging material management. In the core processes of production, operation, and logistics, we make every effort to reduce the waste of resources and improve the efficiency of resource utilization, laying a solid foundation for the sustainable development of the enterprise.

Water Resource Protection

On the basis of ensuring the Company's stable production, Sateri is actively practicing the concept of water resource conservation. Our production bases continue to improve the utilization of water resources and reduce water consumption and water intensity by actively adopting water conservation and recycling initiatives.

During the Reporting Period, Sateri's viscose mills had a process water intensity per unit of product of 33.07 m³/tonne of product, and the Lyocell mills had a process water intensity per unit of product of 12.49 m³/tonne of product.



Sateri Water Utilization Initiatives

Packaging Material Management

Sateri has always adhered to the concept of sustainable development and continued to make efforts in packaging material management. We actively promote the reduction of packaging materials, optimize packaging design, and strive to simplify packaging to reduce resource wastage; at the same time, we continue to explore ways to recycle packaging materials and the possible application of environmentally friendly packaging materials.

We are committed to improving the management system of packaging materials and join hands with all parties to build an efficient and stable industrial chain, so as to realize the efficient and economical use of resources while reducing environmental impacts.

INNOVATION AND CIRCULARITY

03

Our Position

The textile industry, as an important part of the global manufacturing sector, needs to adopt more environmentally friendly and sustainable production methods to reduce its impact on the environment. Developing resource-efficient, circular, and climate-stable fibre products is an important way to achieve this goal.

As the globally significant producer of viscose fibres, Sateri consistently upholds the principles of innovation and circularity, committed to enhancing sustainability throughout the entire value chain—from raw material sourcing and collaborative partnerships to end-consumer usage. Focusing on customer needs, we persist in product innovation to deliver premium offerings, joining hands with industry partners to provide groundbreaking circular solutions for the industry.

Our Goals and Progress

Sateri leads sustainable development through technological innovation and is committed to transforming the green circular concept to enhance economic value and environmental benefits. During the Reporting Period, Sateri's goals and progress in innovation and circularity are as follows:

Our goals	Progress in 2024
Production of recycled fibres from used textiles: <ul style="list-style-type: none">By 2023, products shall be manufactured with up to 50% recycled material content from used textiles, and it shall be increased to 100% by 2030By 2025, 20% of the feedstock sourced will contain alternative or recycled materials	<ul style="list-style-type: none">Number of patent applications: 57; Number of granted patents: 59FINEX®'s recycled content reached 50%The greenhouse gas emissions per tonne of Lyocell fibre are as low as 1.83 tonnes of CO₂ equivalent, which is more than 70% lower than that of conventional textile fibres²⁰, demonstrating excellent green and environmental performance

Awards and Certifications

- Sateri (Changzhou) Fibre Co., Ltd. was awarded the "First Class Prize" in Science and Technology by China National Textile and Apparel Council (CNTAC)
- The plant-based facial towels co-developed by Sateri Group and Hangzhou Baibeike Industrial Co., Ltd were awarded the "Green Development Award for Innovative Products" at CINTe 2024
- Sateri Group was awarded "Innovation Model Prize" in the 2024 Pudong New Area ESG Industry Ecosystem Innovation Competition for Chinese and International Enterprises
- Sateri (Jiangsu) Fibre Co., Ltd. was officially certified as Foreign-Invested Enterprise R&D Center

Related Sustainable Development Goals



²⁰ The carbon emission data were calculated using the Higg Material Sustainability Index (Higg MSI) tool provided by the Sustainable Apparel Coalition. The results were obtained by comparing Sateri Lyocell fibres with conventional textile fibres.

Product Quality and Safety

Our Commitments

Sateri recognizes that product quality and safety are significant to the sustainable development in the global textile and fashion industry. To strictly control the quality of our products, we have established a full-process closed loop quality management system. Through continuous improvement and innovation, we aim to bring more products of superior quality, safety and reliability to the market and consumers.

Our Governance

Strictly adhering to international and industry-recognized quality standards, Sateri continuously improves the product quality and safety management system. We established standardized process control documents and internal management procedures, building a solid defense line for product quality and safety.

We have established a quality management structure including Sateri Sustainability Management Committee, quality department and continuous improvement department, to ensure efficient and transparent quality management. Sateri Sustainability Management Committee, as the highest level of leadership for product quality and safety, is responsible for overseeing the compliance and effectiveness of the quality management system. Quality department and Continuous Improvement Department are responsible for the operation and optimization of the quality management system. Through the robust quality management structure and reporting mechanisms, we ensure the efficiency and transparency of quality control.

Our Management Strategy

Sateri is dedicated to enhancing its quality management capabilities and has established a closed loop quality management system covering the entire lifecycle of its products, to ensure product quality and safety throughout the process. Both internal and external quality audits are conducted on a regular basis. These audits delve into every aspect of the process, enabling the timely identification of potential issues and prompt implementation of corrective actions. The company holds itself to stringent external standards to refine its quality management system. As of the end of the Reporting Period, all Sateri’s viscose mills have been awarded the ISO 9001 quality management system certification. These facilities undergo annual external audits and at least one internal audit.

During the Reporting Period, the textile product certifications we implemented included:

OEKO-TEX STANDARD 100	OEKO-TEX STeP
RECYCLED CLAIM STANDARD 2.0(RCS2.0)	PEFC ST 2002:2013

On the path of striving for outstanding products, we uphold the core value of continuous improvement. Every year, we carry out various quality improvement projects, aiming to optimize production processes, enhance product performance and safety, and improve customer experience. During the Reporting Period, we conducted a total of 17 quality improvement projects, demonstrating Sateri’s ultimate pursuit of product details.

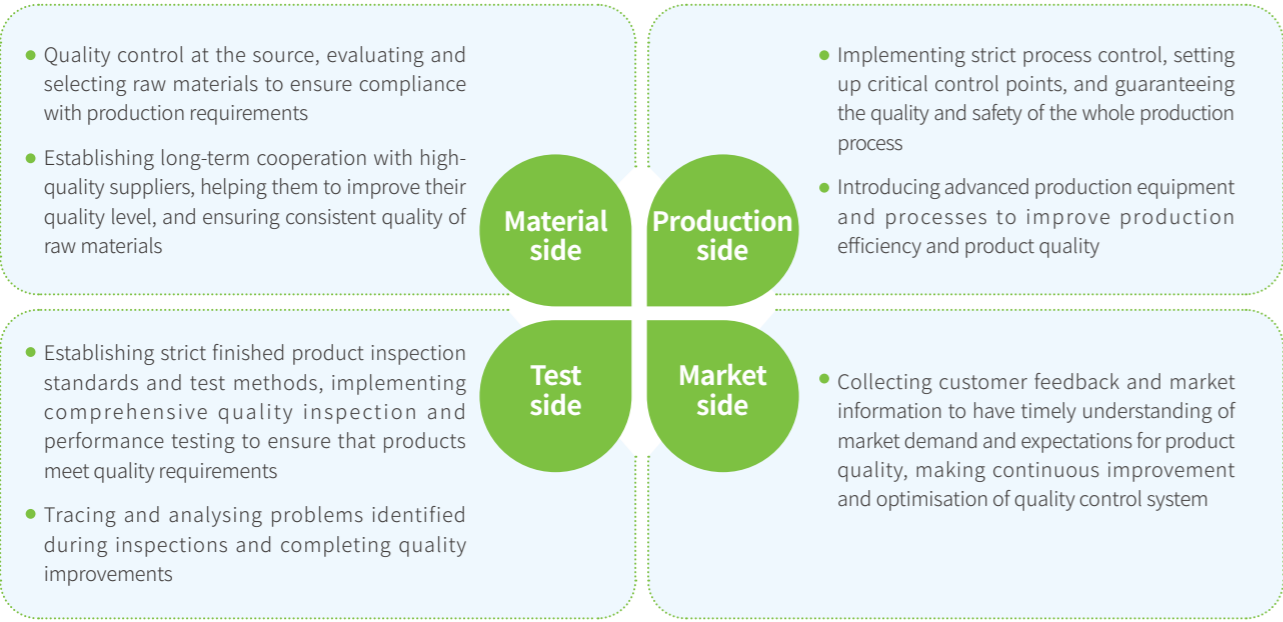


Our Actions

Sateri adheres to a profound responsibility towards consumers and an ultimate pursuit of quality. We strictly implement full-process quality control and quality culture construction to provide quality and safety guarantees for customers and consumers.

Whole Process Quality Control

We have established and implemented a whole-process quality control system, covering raw material, production, test and market. Through rigorous quality management protocols, we ensure adherence to standards across R&D initiatives, production processes, supply chain operations, and product delivery.



Whole Process Quality Control System

Sateri Launched a Project to Improve the Quality of Pulp and Optimize Production Stability

As the core raw material for viscose fibres, the quality of the pulp directly affects the production stability. We classify and scientifically select the purchased pulp based on its quality and distribute it to different factories according to quality and grade. We communicate the usage status through reports and video conferences. Based on the information feedback, we regularly communicate with the suppliers to discuss improvement matters. In addition, we have established several mechanisms such as monthly teleconferences, quality complaint reports, on-site problem handling, unified detection standards, comparison of sample test results, mutual visits of technical personnel, and face-to-face communication, which effectively promote the control and improvement of the pulp quality.

Security guarantee

The safety of textile products is of utmost importance, which directly affects the health and rights of consumers. Sateri strictly adheres to product safety standards and strictly controls all production stages. When purchasing raw materials, we select environmentally friendly materials that meet the standards. During production, we control harmful substances and standardize the production process. Before the products are manufactured, we rigorously test the quality and safety indicators of the products and continuously enhance product safety.

Sateri Advances Stability Research, Achieving Process Optimization and Enhancing Safety

During the Reporting Period, the R&D department of Sateri Lyocell established a full-process monitoring system and two "safety lines" for production thermal runaway monitoring based on the research of the stability theory of the stability theory of ternary systems and the principle of thermal runaway. We monitored the side reactions and the content of stabilizers throughout the process, set process control indicators, clarified the direction of process optimization, guided the production to implement the full-process monitoring and implement process optimization, achieving a 35% reduction in the consumption of stabilizers per ton of silk, significantly enhancing safety while effectively reducing the impact on the environment.

Quality Culture Building

Sateri is committed to establishing a quality culture system that involves all employees, manages the process throughout, and promotes comprehensive improvement. We have established a quality incentive mechanism, setting up quality awards every month, and rewarding teams and individuals who have made outstanding contributions to quality improvement. This encourages employees' initiative and creativity. Additionally, we conduct Six Sigma training every year and organize relevant quality personnel to participate in the training. As of the end of the Reporting Period, we have assisted 394 employees in obtaining n Six Sigma Green Belt certification, promoting continuous improvement in quality levels.

Sateri Has Launched a Quality Awareness Enhancement Program to Deepen Employees' Understanding of Quality Management

During the Reporting Period, in order to enhance the quality awareness of front-line employees, we launched a quality awareness improvement project. We developed a new version of the "Quality Awareness Enhancement" course, and have provided training to 246 employees from relevant departments. This has effectively deepened the understanding of these employees regarding the requirements for quality control measures in key areas.



Product R&D and Innovation

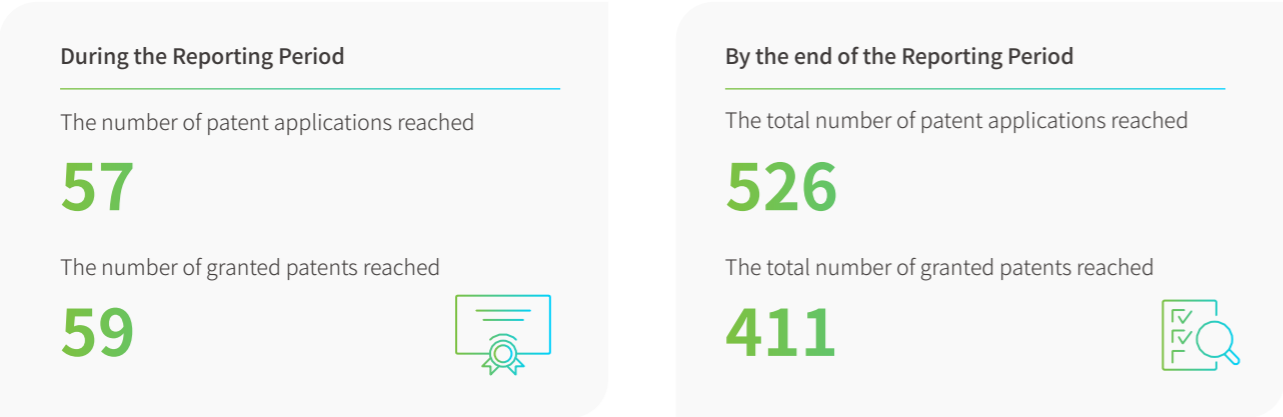
Our Commitments

Sateri is fully aware of the importance of product innovation and R&D for enterprise development and industry advancement. Starting from customer needs, we continuously drive innovation and technological iteration. While expanding the breadth and depth of our product system, we actively explore and broaden the application fields of our products, fostering the advancement of the industrial chain toward deeper levels and higher-quality development.

Our Management Strategy

Sateri upholds the philosophy of technological innovation and transformation across the entire industrial chain, continuously improving its R&D management system. We have established Viscose, Lyocell and Nonwoven R&D Departments, and through standardized project management, we have clarified R&D processes and responsibilities, enabling efficient collaboration for both internal and external research initiatives. At the same time, we actively foster communication and cooperation among R&D, production, and marketing teams, providing strong support for our innovation-driven R&D system.

To foster a culture of technological innovation within the company and inspire employees' creativity, we have implemented incentive policies such as *Provisions on Rewards and Remuneration for Duty Invention and Creation*, providing research bonuses for patent applications and standard-setting initiatives. We have also introduced the "15% R&D Mechanism," encouraging employees to dedicate 15% of their working hours to exploring technologies and product development in areas of personal interest. This approach has effectively enhanced employee enthusiasm for innovation and R&D.



Leveraging our strengths in technology and innovative R&D, we not only provide customers with superior and diversified fibre products but also play a leading role in the industry. We actively participate in various industry exchanges, knowledge-sharing initiatives, and the development of industry standards, striving to drive technological advancement and sustainable development across the entire fibre sector.

Our Actions

Sateri maintains a profound understanding of industry trends and consumers' evolving diversified needs, continuously innovating to develop differentiated fibre products. Simultaneously, we actively engage in value chain co-creation, fostering in-depth collaboration with upstream and downstream partners, industry organizations, and research institutions to collectively drive progress across the sector.

Innovative Product Development

Sateri continues to increase its investment in innovative fibre development, market-driven to meet consumers' diversified demands for quality, functionality, and cost-effectiveness. During the Reporting Period, leveraging industry trends and evolving consumer needs, we successfully developed multiple innovative products including eco-friendly fibre products and cross-linked lyocell fibres. These breakthrough products not only address the market's need for high-performance fibres but also significantly expand the application of viscose fibres across apparel, home textiles, sportswear, and other sectors.




Sateri’s Innovation Achievements for Nonwoven Products

Sateri Implemented a Dyeing and Finishing Process Optimization Project for Lyocell Fabrics to Enhance Technical Capabilities and Product Quality

Collaborating with upstream and downstream partners in the industrial chain, we carried out an optimization initiative for the dyeing and finishing of standard Lyocell fabrics. By refining fibre-locking techniques, we improved the finished fabric appearance of Lyocell, further elevating the industry's overall technical standards. This initiative delivers higher-quality products and expands the applications of standard Lyocell fibre.

Industry-university-research Exchange and Collaboration

Sateri actively engages in collaborative innovation with universities, research institutions, and upstream and downstream partners. We introduce top talent and technological resources to continuously enhance our technological innovation capabilities and drive the joint development of the industrial chain.

Sateri Partnered with Donghua University to Conduct Research and Application on the Stability of the Lyocell System, Promoting Safer and More Efficient Production

During the Reporting Period, we collaborated with Donghua University in a university–industry–research cooperation. The focus was on studying the stability of the Lyocell system and the goal was to establish a safety control system to enhance production safety and reduce the consumption of stabilizer chemicals.

This project provided key guidance for production monitoring, effectively preventing the risk of thermal runaway and ensuring safe production. This cooperation not only advanced the production technology of Lyocell fibres but also offered the industry a safer and more efficient production solution.

In addition, with experience and leading technologies in the fibre field, we actively participate in the activities of industry associations and standardization organizations. We have shared our professional insights and practical experience and are committed to becoming a key force in shaping industry norms and standards. Currently, Sateri has joined industry associations such as the China Nonwovens&Industrial Textiles Association and the China Chemical Fibers Association. We are also actively involved in the development of national, industry, and group standards.

National Standards

- Test method and evaluation for flushability of disposable sanitary nonwoven materials (GB/T 40181-2021)
- Soft nonwoven towels (GB/T 40276-2021)
- Flushable spunlaced nonwoven and finished products (GB/T 41244-2022)
- Man-made fibre—Test method for tensile properties of staple fibre (GB/T 14337-2022)
- Topsheet for disposal sanitary products (GB/T 30133-2022)

Industry Standards

- Antimicrobial Viscose Staple Fibre (FZ/T 52059-2021)
- Coloured Viscose Staple Fibre (FZ/T 54030-2023)
- Chemical Fibres: Test Method for Flammability - Oxygen Index Method (FZ/T 50016-2023)

Group Standards

- Rotor spun lyocell grey yarn (T/CCTA 30405—2024)
- Spunlaced nonwoven (T/YNIA 007—2022)
- Technical specification for eco-design product assessment -spunlaced nonwovens products (T/CNTAC 173—2023)

Standards that Sateri Has Participated in Formulating (Partial)

Joining Hands with Industry Partners to Organize In-Depth Visits to the Raw Material Production Base in Brazil, Promoting the Green Transformation of the Industry

During the Reporting Period, Sateri, along with the China Cotton Textile Association, the China Chemical Fibers Association, and the China Nonwovens&Industrial Textiles Association, organized a delegation with representatives from yarn, fabric, brand sectors and industry media to visit its raw material production base in Brazil. This helped Chinese textile companies better understand the lyocell production process, enhance their knowledge of this green fibre, better grasp market and industry trends, and boost the green transformation and sustainable development of China's textile industry.



Joining Hands with Industry Partners to Organize In-Depth Visits to the Raw Material Production Base in Brazil

Customer Service Experiences

Our Commitments

Sateri's sales and service network covers Asia, Europe, the Americas, etc., committed to satisfying domestic and international demand for sustainable, high-performance fibres. Focusing on customer needs, we value every service aspect. Through steady and reliable product supply, all-round technical support and prompt customer service response, we provide customers with outstanding products and services.

Our Management Strategy

Sateri is dedicated to offering customers a comprehensive, high-quality service experience. To ensure every aspect effectively and accurately meets customer needs, we established the *Technical Service Workflow* to standardize the process of handling customer requests.

Listening to Customer Demands

- Establishing diversified customer communication channels and collecting customer demands in a timely manner
- Identifying customer complaints, analysing the quality points through the complaints, and carrying out detailed management and process management for the defective points and important processes

Customer Rights Protection

- Strengthening information security management and maintaining customer information and privacy security
- Practicing responsible promotion and sales practices and conducting strict compliance audits of marketing materials

Customer Satisfaction Management

- Conducting annual customer satisfaction surveys through questionnaire surveys, customer visits, etc.
- Analysing our own strengths and weaknesses, and carrying out targeted improvement projects based on the results of customer satisfaction surveys

Customer Service Management System

In addition, through close cooperation with customers, and with our deep technical reserves and rich practical experience in the field of viscose fibre, we continuously optimize our service processes and improve service quality. This ensures customers receive a stable, reliable product supply and comprehensive technical support.

Our Actions

Sateri focuses on protecting customer rights, dedicated to offering quality service experiences and shaping a positive brand image. We cooperate with customers for long-term mutually beneficial development.

High-quality Services

Sateri actively explores the market frontier with keen industry insights and a keen perception of diverse customer needs. Through efficient coordination between marketing, R&D, and production departments, we deliver superior and differentiated solutions to clients.

We value the customer experience across our entire business scope. To deeply understand customers' true experiences and expectations, we conduct annual satisfaction surveys covering different customer groups. We conduct in-depth data analysis on the survey results, accurately identify key areas for improvement, develop and implement targeted enhancement plans, and continuously optimize the customer experience.

Responsible Marketing

Sateri follows a responsible marketing and management philosophy. We have a strict review process and standardized promotion management, forming a comprehensive review system to ensure the rigor and standardization of external content. In addition, we conduct various responsible marketing training sessions to ensure that marketing staff can accurately convey product information and brand concepts, safeguarding the brand image and promotional effectiveness.

Review and Promotion Management

Review Team Setup: A review team is set up for social media accounts, the group, brand, and factory. Examples include an external review team and a government PR review team.

Standardized Review Process: Strictly review promotional materials (brochures, videos, website content, social media, etc.) following approval procedures of various departments.

Unified Promotional Messaging: Ensure all promotional channels (brochures, videos, websites, social media, etc.) have uniform messaging to maintain a consistent brand image.

Responsible Marketing Training

Regular Training: Reinforce responsible marketing awareness via monthly meetings. Conduct regular communication and training with other business departments.

Pre-Event Training for Major Activities: Provide professional training for participants before significant events, including unified scripts and concept training.

Responsible Marketing Management Initiatives

Joint Actions

While committed to supplying the industry with high-quality and stable fibre products, Sateri collaborates with downstream partners to launch innovative products. We work closely with partners in spinning, fabric making, dyeing, and other areas. By offering technical support and solutions, we help clients with product innovation and market expansion, promoting common growth and progress of enterprises across the industrial chain.

Sateri is Dedicated to the Application Development and Market Promotion of Cross-Linked Lyocell Fibres Suitable for Alkaline Environments, Aiming to Supply the Market with High-Quality Fibre Products

During the Reporting Period, we established a laboratory quantitative testing method to measure the degree of crosslinking loss of cross-linked lyocell fibres suitable for alkaline environments during (CL²¹)fabric processing. This helped downstream customers optimize their processes and enhance the quality of CL fibre fabric products. Additionally, we thoroughly examined the advantages and disadvantages of CL in downstream applications. We explored its potential in woven fabrics and home textiles, developed suitable application scenarios, and assisted customers in using CL anti-fibrillation lyocell fibres suitable for alkaline environments to create high-end shirts. These efforts have advanced the application of CL fibres in high-end apparel.

²¹ CL: cross-linked.

Industrial Circularity Drive

Our Commitments

Under the severe circumstances of frequent extreme weather events and rising global temperatures, Sateri has always adhered to the concepts of innovation and circularity. It regards the business of recycled viscose fibres as its core development area, while also attaching great importance to the research and innovation of next-generation fibre technologies. We are committed to developing resource-conserving, circular, and climate-stable fibre products, aiming to create value for the environment and society.

Our Management Strategy

Sateri continuously promotes the circular industry path of "Resource - Product - Consumption - Recycled Resources" and insists on the development model of "industry chain association and partnership". We practice the concept of green development in raw material procurement, production, and product application, and comprehensively promote sustainable product lifecycle management.

At the product and consumer end, through innovative research and development, we have launched fibres that are both environmentally friendly and performant, meeting the diverse needs of the market. With high-quality products, we guide consumers to make environmentally friendly choices and promote the transformation of consumption concepts towards sustainability. At the raw material end, Sateri adheres to green

material selection and opts to use sustainable and recyclable raw materials. We are committed to purchasing 100% sustainable raw materials, such as dissolving pulp sourced from sustainably managed plantations. At the same time, we actively engage in open cooperation, sharing sustainable experiences and achievements, and working together with industry partners to achieve mutual progress.

In the future, we will continue to focus on the sustainable field. Relying on green products, leading with sustainable consumption, ensuring with sustainable procurement, and facilitating through industry chain cooperation, we will comprehensively promote the textile industry to move towards a green, low-carbon and sustainable future, and contribute to global environmental protection and resource recycling.

Our Actions

Sateri actively engages in the development and promotion of green fibre products, constantly exploring cutting-edge technologies to enhance the environmental performance of fibres. We advocate the concept of low-carbon and environmental protection, strive to build a sustainable supply chain, and work together with industry partners to jointly promote sustainable consumption, contributing to the green future of the textile and fashion industry.

Sustainable Products

Sateri's three product lines, Sateri Lyocell, FINEX® and EcoCosy® Viscose, have all launched innovative zero-carbon products, providing the market and consumers with greener and more diverse choices. Lyocell products are our key focus area. Besides inheriting the environmental-friendly characteristics of traditional viscose fibres, they stand out particularly in minimizing their environmental impact throughout the entire

lifecycle. FINEX® focuses on the development and utilization of waste textiles, converting them into production raw materials to drive the product towards a circular model. EcoCosy® Viscose as the main viscose fibre product of Sateri, after more than two decades of development and improvement, it has high market recognition and strong technical maturity.

The three zero-carbon products, which have been granted the PAS 2060 verification statement for carbon neutrality, have been commercialised and widely recognised by the market.

Our fibre products have received TUV OK Biodegradable Certification in soil, freshwater, marine, industrial compost, and home composting within 28 days, and the final degradation products are non-toxic and non-hazardous to the environment.

We are the first viscose company in China to be awarded the OEKO-TEX STeP certification for sustainable textile production and the right to use the OEKO-TEX MADE IN GREEN traceable hangtag, signifying that our products have passed the relevant tests and are manufactured in a sustainable manner.

International Authoritative Certification to Guarantee the Sustainable Attributes of the Products

Sateri is committed to driving the development and application of green fibres through technological innovation, offering sustainable solutions for the textile industry while reducing carbon footprints. In 2024, we achieved significant progress in the research and development of green products. We expanded the application scenarios of green fibres and successfully launched green fibre products with excellent anti-fibrillation properties. This has enhanced their potential for use in high-end textiles and propelled the industry's green transformation.

Sateri Optimizes Production Processes to Reduce the Environmental Impact of Raw Material Usage

During the Reporting Period, through previous theoretical research and laboratory feasibility studies, we selected the chemical pulp suitable for lyocell production. Subsequently, we completed small-scale tests on the experimental line and preliminarily verified the feasibility of using chemical pulp for lyocell production. Compared to dissolving pulp, chemical pulp has a smaller environmental impact. This research achievement provides new ideas and methods for the green production of lyocell fibres and helps promote the textile industry towards a low-carbon and environmentally friendly direction.

Sustainable Supply Chain

Sateri has established management systems such as *Supplier Performance Evaluation*, integrating ESG standards throughout the value chain, covering supplier admission reviews to production process supervision. This initiative aims to promote the joint construction of a green, low-carbon, transparent and compliant industrial ecosystem by the upstream and downstream sectors. We have incorporated "carbon footprint" into the supplier assessment system, strengthening the collaborative carbon reduction capabilities of the supply chain, and providing replicable sustainable supply chain solutions for the industry.

We actively carry out digital management of carbon footprint. Through the "carbon footprint" questionnaire assessment on the supplier management platform, we systematically track, manage and evaluate the carbon reduction and emission reduction efforts and progress of new suppliers, to ensure that they are in line with the company's sustainable development goals, and help the supply chain achieve a green and low-carbon transformation.

Sustainable Consumption

Sateri believes that fostering green concepts and promoting green consumption is crucial for the textile and fashion industry to achieve high quality and sustainable development. We gain insight into consumer trends and promote product innovation and development in four directions: technology, comfort, fashion, and green, based on market hotspots and end-use scenarios, thus guiding consumers to practice sustainable consumption and lifestyles. In 2024, we have collaborated with several leading brands to continuously launch green fibre product lines, helping consumers establish a sustainable lifestyle and consumption philosophy, and more substantially promoting the commercialization process of green fibres.

We adhere to the concept of "Technology empowers green textiles, innovation drives future fashion", and through continuous breakthroughs in technology and design innovation, we work together with industry partners to jointly build a green future for the textile industry. In 2024, through the innovation-driven efforts of the EcoCosy® Viscose and Lyocell dual-brand products, we collaborated with brands such as Semir, Qiaodan, FILA, Youkeshu, and Nautica to launch a series of innovative products, using technological innovation to drive the transformation of green fashion.

Sateri EcoCosy® Viscose and Lyocell Dual-Brand Products Have Jointly Created Innovative Products, Driving the Development of the Green Textile Industry

During the Reporting Period, both EcoCosy® Viscose and Lyocell from Sateri were honored to be included in the "Top 10 Textile Innovation Products of 2024" list released by the China National Textile and Apparel Council. Products jointly created by the group with downstream fabric customers and brands, such as Linkwoven EcoCosy® Viscose and Lyocell Comfort and Eco-friendly Pants, natural coexistence trend functional sets, and MAIA ACTIVE x EcoCosy® Viscose commuting pants, were selected for multiple categories, demonstrating the innovative capabilities and sustainable practices of Sateri Group's products.

Linkwoven EcoCosy® Viscose/Lyocell Comfort and Eco-friendly Pants

Sateri collaborated with Honggang Textile to create FILA pants collection and jointly developed the warp knitting Linkwoven EcoCosy® Viscose and Lyocell Comfort and Eco-friendly Pants, which blend EcoCosy® Viscose and Lyocell short fibres. This breakthrough overcomes the limitations of viscose fibres in the field of knitting. This product has been awarded the title of "Innovative Product of the Sports Functional Product Category". It combines the breathable and quick-drying properties of knitted fabrics, as well as the firm and precise characteristics of woven fabrics. It brings soft, comfortable, and skin-friendly viscose fibre properties to the sportswear field, meeting consumers' high requirements for sportswear with functional properties.



Natural Coexistence Trending Functional Sets

This set jointly launched by Sateri EcoCosy® Viscose and Qiaodan features a blend fabric made of renewable EcoCosy® Viscose fibres and wood-based fibres. This design makes the fabric soft and comfortable to the skin, reduces static electricity and noise. This product has been awarded the title of "Innovative Product in Green and Low-Carbon Products Category". From material to performance, it fully embodies the concept of environmental protection. The fabric is derived from renewable plants and can be completely degraded. It has advantages such as anti-wrinkle, easy maintenance, moisture absorption and breathability, and reduces dyeing energy consumption and pollution caused by anti-static additives to the environment. It meets consumers' dual pursuit of environmental protection and fashion.



MAIA ACTIVE x EcoCosy® Viscose Commuting Pants

Sateri has innovatively applied the yarn separation technology to the EcoCosy® Viscose products. In collaboration with MAIA ACTIVE, the casual pants have been awarded the title of "Innovative Product in the Fashionable and Trendy Products Category". This product utilizes the EcoCosy® Viscose BV fibre, overcoming the challenges of yarn separation technology. By combining ultra-fine denier fibres with the yarn separation technology, the fabric is soft, smooth, comfortable, does not shed easily, is more durable, has a fine and smooth texture, and a good draping effect. Its soft and delicate characteristics, outstanding coloring performance and color durability make the fashion clothing not only comfortable and fitting but also fashionable and beautiful, meeting the demands of modern users for high-quality wear.



Sateri Collaborates with Industry Chain Partners to Build a Low-carbon Product Matrix

Sateri Lyocell, leveraging its environmental advantages, has integrated resources across the entire industry chain. Starting from the downstream fabric application end, it has utilized Lyocell's unique environmental attributes to create application cases in various fields, accelerating the market education and application popularization of sustainable consumption.

In the denim industry:

In collaboration with a leading denim fabric enterprise to launch the "Zero Carbon Hero" lyocell series, enabling classic denim to maintain a crisp and straight shape while being more delicate and comfortable to the skin. This makes daily wear more comfortable and at ease. Zero carbon fibres have now been implemented and promoted in various women's clothing brands.

In the knitting field:

In collaboration with knitting fabric enterprises to launch the Lyocell "Urban Oasis" series. Through the cross-border event "New Trend Beyond Boundaries, Green Integration Together", industry experts, representatives of 100+ brands, and fashion enthusiasts were attracted to participate, promoting the launch of the Oasis series by multiple brands in 2024.

In the home textile sector:

United with Goldsun, we launched Lyocell bed sheets. These sheets are characterized by their softness, skin-friendliness and environmental friendliness. They were selected by the JD platform for the Paris Olympics, aligning with the "sustainability" theme of the Olympics and enhancing our international influence.

Furthermore, from the brand perspective, in light of the environmental benefits of lyocell, several leading brands such as Anta, Qiaodan, Balabala, Beyond Home Textiles, Annil, Semir, Joeone and Q21 have continuously launched lyocell product lines, highlighting their green attributes and expanding the range of consumer choices.



Cooperative Product Examples of Sateri Lyocell

Sateri and Balabala Jointly Launched New Green Children's Clothing Products, Leading the Green Consumption Trend

During the Reporting Period, Sateri collaborated with the well-known domestic children's clothing brand Balabala to hold a "Green Childhood, Together We Shape the Future" sustainable new product launch event, jointly introducing new green children's clothing products. The newly launched green children's clothing products are a derivative of the Balabala Green series and were first featured on Balabala children's T-shirts. This series of children's clothing uses the FINEX® recycled fibre under Sateri's brand, aiming to promote the green transformation of the children's clothing industry and provide children with a more environmentally friendly and healthy wearing experience.



balabala x Sateri Sustainable New Product Launch Event

Sustainable Industry Sharing

As a leading enterprise in the viscose fibre industry, Sateri is at the forefront of its development. Sateri continuously engages in in-depth cooperation and sharing with partners along the value chain. We constantly promote the development and application of green fibre technologies, addressing global climate change, promoting resource recycling, and continuously leading the textile industry towards a green, low-carbon, and sustainable future.

Sateri Participated in the Global 2024 Apparel Conference, Presenting Innovative Green Solutions for New Fashion Trends

Sateri Lyocell participated in the Global 2024 Apparel Conference, which was themed "Low-Carbon Technology" and focused on topics such as green design, green processing, and low-carbon consumption of low-carbon fabrics in the textile and clothing industry. At this conference, Sateri gave a special presentation on Lyocell and was awarded the "Partner of Global 2024 Apparel Conference" honorary trophy.

Sateri Organized a Lyocell Market Application Sharing Session, Collaborating to Explore Technological Breakthroughs and Innovative Application Scenarios

Lyocell fibres have gradually gained market attention due to their excellent physical properties and environmental attributes. During the Reporting Period, we held a Lyocell market application sharing session to discuss the paths of technological breakthroughs and innovative application scenarios. At the same time, we collaborated with several textile enterprises to develop high-quality Lyocell fabrics, showcasing their competitive advantages in terms of color, style, feel, and functionality. Additionally, we actively cooperated with upstream and downstream enterprises to optimize the fibres' properties of easy spinning, easy weaving, and easy dyeing, and explored their applications in denim, woven clothing, knitting, home textiles, and other fields. We have solved the technical compatibility issues of Lyocell fibres in different application scenarios, such as achieving an innovative breakthrough in knitted Lyocell fabrics and successful cases of various categories in autumn and winter applications. Sateri promoted the diversified application of green fibres in the textile industry through industry sharing and cooperation, providing more sustainable development inspirations for enterprises along the entire industrial chain.



Lyocell Market Application Sharing Session

INCLUSIVE GROWTH

Sateri 赛得利公益第三课堂 “多彩童年”

Our Position

Sateri has established robust operational strategies as its foundation, systematically constructing a strategic framework for sustainable development while driving co-creation of sustainable value. By deepening the ESG governance structure, we continuously expand the reach of corporate social responsibility, transforming corporate growth momentum into positive value that empowers the industrial ecosystem, organizational members, and the society, ultimately building a value ecosystem of multi-party synergy.

Internally, we have built a multi-tiered talent development system providing systematic support for employees' career growth. Through refined training mechanisms and career path design, we not only enable continuous advancement of professional capabilities but also foster a sense of belonging in the workplace, ensuring every member achieves sustainable growth while realizing their professional aspirations.

Externally, we innovatively explore collaborative pathways for commercial value and social impact. Through community co-creation and industrial synergy models, corporate resources catalyze regional economic development. Strategic philanthropic investments and sustainable community initiatives achieve resonant progress between corporate growth and social advancement.

Our Goals and Progress

Sateri has established a systematic, quantifiable sustainable development goal framework, ensuring effective implementation through scientific planning and dynamic management. During the Reporting Period, Sateri's goals and progress in inclusive growth are as follows:

Our Goals	Progress in 2024
• Achieve 0 major injuries and 0 occupational diseases by 2030 and beyond	• 0 occupational disease in 2024
• Reduce the accidental loss rate to less than 0.1 per 200,000 man-hours by 2025	• The accidental loss rate of Sateri in 2024 was 0.10 per 200,000 man-hours
• Continue to increase the number of women in management positions ²² until 2030	• 10.95% of Sateri's senior management and 17.35% of its middle management were female in 2024
• 100% of employees have a career development plan by 2025	
• Advocate and require all supply chain partners to respect the rights and interests of employees and provide a safe and healthy working environment in the long run	• In Progress
• Support more than 300,000 people to sustainably improve their lives through Sateri empowerment programmes by 2030	• Since 2020, 203,898 residents have benefited directly from Sateri's community programmes
• Ensure that all children left behind in neighbouring communities receive high-quality preschool intellectual enlightenment through the Sateri Education Programme by 2030	• Since 2020, 71,799 students have benefited directly from Sateri's programmes in support of school education

²² Management positions: Includes senior and middle management. Senior management is defined as above AM level for director/MGR level for manager, and middle management is defined as AM level for director/MGR level for manager.

Awards and Certifications



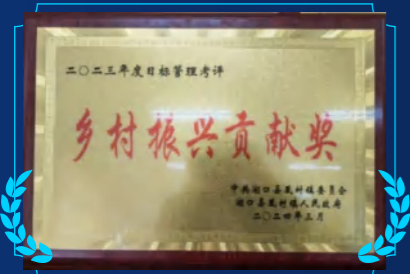
Sateri Group was honored with the "GoldenKey Star-SDG Contributor" at 2024 Goldenkey – SDG Solutions



Sateri (China) Fibre Co., Ltd. was awarded "Excellent SDG Solution" at 2024 Goldenkey – SDG Solutions



Sateri (Jiujiang) Fibre Co., Ltd. was awarded "Excellent SDG Solution" at 2024 Goldenkey – SDG Solutions



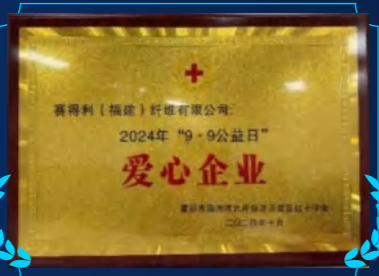
Sateri (Jiujiang) Fibre Co., Ltd. was awarded the "Rural Revitalization Contribution Award"



Sateri (China) Fibre Co., Ltd. was conferred the title of "2023 Jiangxi Provincial Socially Responsible Enterprise"



Sateri (China) Fibre Co., Ltd. was awarded "CSR CHINA TOP 100 Rank" at the 8th CSR China Education Awards



Sateri (Fujian) Fibre Co., Ltd. was recognized as a "Caring Corporation of 2024 9·9 Giving Day"

Related Sustainable Development Goals



Talent Empowerment

Our Commitments

Sateri values the mutual growth of talent and the Company. We recruit globally to build a robust talent foundation while creating opportunity-rich, people-centered development platforms and workplace environments. We have established well-structured career paths complemented by comprehensive employee welfare and care programmes, empowering employees to achieve dual value in professional development and personal growth.

Our Governance

Sateri strictly adheres to the *International Labour Organization Declaration on Fundamental Principles and Rights at Work*, the *United Nations Global Compact (UNGC)*, and local laws and regulations in all operating countries. To ensure standardized implementation, we have developed internal policies including the *Compilation of Occupational Health Management System* and the *EHS Education and Training System*. These policies establish standardized processes covering recruitment, career development, and health protection, providing institutional safeguards for fair, inclusive, and secure working environments.

Our Management Strategy

Our talent management strategy encompasses four dimensions: Talent Attraction, Talent Development, Health and Safety, Care and Communication. This systematic approach creates a multi-dimensional growth ecosystem that integrates talent acquisition, cultivation, and retention, laying a solid human capital foundation for sustainable development.

Talent Attraction

- We have implemented strategic talent pool planning aligned with business needs.
- We have conducted scientific assessments of competency gaps to precisely identify recruitment requirements and recruited diverse and outstanding talents globally.

Talent Development

- We have established a diversified training system covering generic skills, professional competencies, leadership, office skills, functional training, onboarding, sales, and corporate culture.
- We adopt differentiated talent management for different groups of people and have developed personalized performance evaluations and internal promotion mechanisms to motivate and retain talent.

Health and Safety

- We have built systematic risk prevention mechanisms with robust protocols and assessment frameworks and set scientific health and safety targets to all mills, ensuring the comprehensive implementation of safety management responsibilities.
- As of the end of Reporting Period, we achieved 100% ISO 45001 certification across all viscose mills.

Care and Communication


- We have built a market-competitive compensation structure with three components: fixed salary, special incentives, and performance awards.
- Meanwhile, we have implemented comprehensive employee welfare programmes including subsidies and wellbeing activities to enhance employee satisfaction and quality of life.

Our Actions

Sateri has established a four-pillar system encompassing Talent Attraction, Talent Development, Health and Safety, and Care and Communication. Through continuously optimized talent strategies, we foster an inclusive workplace ecosystem. Systematic cultivation mechanisms empower employees' professional growth, while comprehensive welfare and health safeguards protect their wellbeing, building a shared growth ecosystem where employees and enterprise thrive together.


Talent Attraction

We provide employment opportunities for talents from diverse nationalities, ethnicities, and cultural backgrounds through our multidimensional recruitment framework. This commitment cultivates a culture of diversity, equality, and inclusion, transforming Sateri into fertile ground for cross-cultural collaboration, innovation, and mutual advancement. This is also a cornerstone of our sustainable commercial and social value creation.




Gender Diversity

Based on principle of "Responsible Recruitment", we treat every employee equally without any discrimination on the basis of gender.



Age Diversity

We believe that age diversity can lead to beneficial career development for our employees.



Region Diversity

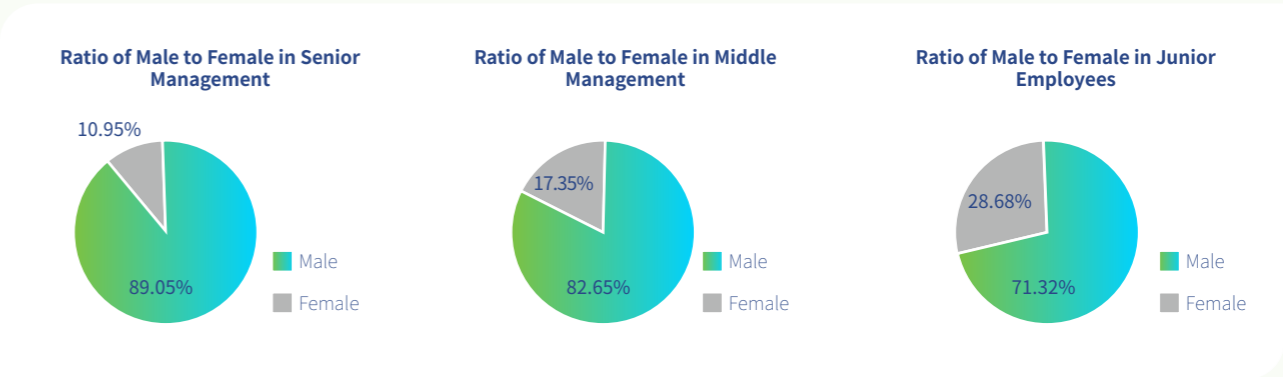
We accept employees from different regions and maintain a regionally equal workplace environment.



Indicators		Unit	2024
Total Number of employees		Person	7,698
By gender	Male	Person	5,567
	Female	Person	2,131
By job grades	Senior Management	Person	137
	Middle Management	Person	461
	Junior Employees	Person	7,100



Indicators		Unit	2024
Senior Management	Male	%	89.05
	Female	%	10.95
Middle Management	Male	%	82.65
	Female	%	17.35
Junior Employees	Male	%	71.32
	Female	%	28.68



Talent Development

Sateri always regards the shaping and realization of employees’ personal value as a crucial cornerstone of corporate value creation. Centering on the Human Resources Business Partner (HRBP) system, Sateri has constructed a talent strategy framework for 2024, closely aligned with the current state and needs of Sateri’s talent development. This framework provides comprehensive talent development support for three major strategic projects: SYC, Lyocell Changzhou, and Sateri (Liyang) Nonwoven.

Based on the Sateri Academy, we have established a systematic training system and a multi-dimensional learning platform, implementing a three-tiered talent development cultivation system. This includes putting the job rotation system into practice and executing talent development programs. Through conducting organization-wide open course needs assessments, the Company precisely identifies training requirements for various positions, enhancing the alignment of course offerings with work scenarios and their practical value. We also implement specialized cultivation plans for Key Positions, matching course lists with individual improvement areas and Individual Development Plans (IDPs) to accelerate the career development competency building of Core Talents. Furthermore, we develop targeted course programs, including Startup Training courses, Startup Summary Workshops, and Management Seminars, providing professionalized support for the rapid development of business units. In 2024, the Sateri Academy conducted 63 training programs, totaling 484,712 training hours.

Level	Cultivation Approach	Collaboration Resources	Representative Programs
Senior level	<ul style="list-style-type: none">Supported by RGE Group	<ul style="list-style-type: none">Nanyang Technological University (NTU)Institut Européen d'Administration des Affaires (INSEAD)	<ul style="list-style-type: none">Director/Senior Manager Development Program
Middle level	<ul style="list-style-type: none">Sateri Academy Specialized Plans	<ul style="list-style-type: none">Internal and External Talent Linkage	<ul style="list-style-type: none">"Sateri Eagle" Phase IV
Junior level	<ul style="list-style-type: none">PRP System	<ul style="list-style-type: none">100% Coverage	<ul style="list-style-type: none">Annual Diagnosis and Assessment

Sateri's Tiered Talent Development Cultivation System

Position Type	Rotation Direction/Case	Purpose
Mid/Senior Management	<ul style="list-style-type: none">Cross-regional rotation of Lyocell Business Heads	<ul style="list-style-type: none">Strategic Synergy & Experience Sharing
	<ul style="list-style-type: none">Rotation of Financial Directors	<ul style="list-style-type: none">Cross-regional Business Integration
Internal	<ul style="list-style-type: none">Successful multi-position rotation cases	<ul style="list-style-type: none">Top-down and bottom-up communication, ensuring coordinated execution

Sateri Job Rotation System Practice Cases

Program Type	Specific Program Name	Target Group	Development Tool
High-Potential	<ul style="list-style-type: none">Executive Leadership Program (ELP)Frontline Leadership Program (FLP)Management Training Program (MTP)Eagle Talent Program	<ul style="list-style-type: none">High-potential Backbone Staff	<ul style="list-style-type: none">Individual Development Plan
Management	<ul style="list-style-type: none">New Director/Shift Leader Bootcamp	<ul style="list-style-type: none">Newly Appointed Managers	<ul style="list-style-type: none">Scenario-based Courses
Technical	<ul style="list-style-type: none">Professional Technical Open Courses	<ul style="list-style-type: none">Technical Position Staff	<ul style="list-style-type: none">Development Leadership Program
100% Coverage	<ul style="list-style-type: none">RGE Standardized Courses	<ul style="list-style-type: none">All Functional Departments	<ul style="list-style-type: none">Collective Large-Class Training

Sateri Talent Development Programs

Specialized Training for Rapid Onboarding of New Employees



The Sateri Academy, in collaboration with HR, drives the rapid onboarding program for new hires and transferred operators in the Viscose Mills. By conducting preliminary research to analyze bottlenecks in new employee onboarding, joint special communication meetings were held with Production Departments, the Environment, Health and Safety (EHS) Department, and Business Unit (BU) Heads, resulting in a standardized position cycle management process.

Furthermore, the training adopts a multi-business-line parallel advancement model. Using the exemplary experience of high-performing BUs as a benchmark, it integrates diversified training methods. These include conducting Trainer Skill Enhancement sessions, promoting the application of the One Point Lesson (OPL) tool, and compiling an essential course list for new employees based on the case study of SFJ's Spinning Workshop. A Learning Map covering 24 positions across four major workshops in the Viscose Mills was developed, serving as a reference for the Lyocell business line. This achieves unified new employee cultivation standards and systematized knowledge mapping, comprehensively enhancing position suitability efficiency and training effectiveness.

Training Course on Improving the Capability of Distributed Control System (DCS) in Viscose Mills



In 2024, a total of 282 participants from the production workshop of Sateri Viscose Mills participated in the DCS post capability improvement training. The training consisted of 51 courses, covering process principles, process control and cleaning, chemical material properties, abnormal handling, equipment principles, etc., aiming to comprehensively improve the DCS personnel’s ability in abnormal analysis, judgment, and handling.

SJX Conducted Theoretical Evaluation and Practical Assessment Training for Star Employees to Ensure Long-term Production Efficiency and Quality Control



To systematically improve the on-the-job skills and safety awareness of front-line employees, the Production Department of SJX organized a special capability improvement campaign for 298 operators in 16 positions across four major workshops, with the theoretical evaluation and practical assessment of star employees as the core.

Based on the results of the theoretical evaluation of star employees, SJX organized targeted learning of job-specific knowledge and skills, provided counseling and supervision for key personnel, and incorporated the star employee evaluation into the annual training plan. Through continuous tracking and dynamic optimization, it effectively promoted the spiral improvement of employees' skills and safety awareness, providing long-term guarantee for production efficiency and quality control.



Sateri Implemented Management Training Program (MTP) to Strengthen Group Management Pipeline

To fully execute Sateri Group's management capability enhancement strategy, Sateri conducted multi-tiered MTP training in 2024 for Manager-level (including newly promoted) and above personnel. The program progressed through three phases: Phase 1 focused on core business fundamentals (Quality Management, Supply Chain Optimization, Finance for Non-Financial Managers), achieving a 91% completion rate. Phase 2 deepened management practice with workshops on HR Management for Non-HR Personnel and People Management, achieving an 89% completion rate. Phase 3 was delivered via remote and in-person modes, covering advanced topics (Operational Systems, Sustainability, Operational Excellence, Digitalization), achieving a 90% completion rate.

Throughout 2024, 12 MTP sessions were organized, covering 228 participants. The phased and modular curriculum systematically enhanced managers' cross-functional collaboration capabilities and strategic thinking, strengthening Sateri Group's management pipeline.



Sateri Academy Developed Internal Trainers to Ensure Qualification and Teaching Standards

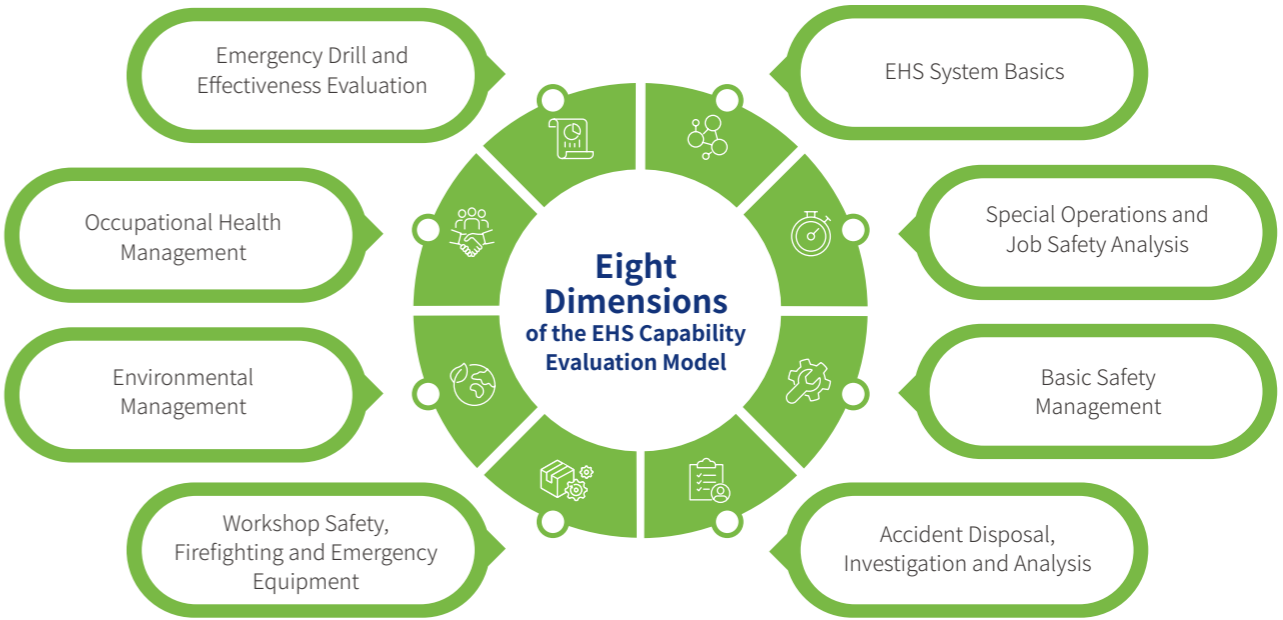
Since 2018, the Sateri Academy has systematically advanced its Internal Trainer Development Program to build core talent cultivation capabilities. By the end of the Reporting Period, 206 junior trainers and 16 intermediate trainers had been certified, including 33 newly certified trainers in 2024. The program centers on two core competencies: Course Development and Instructional Techniques, with differentiated development paths for each trainer level. A rigorous "Trial Lecture Certification" mechanism ensures quality: professional review panels conduct live evaluations, multi-dimensional feedback, and comprehensive assessments of candidates to guarantee trainer qualifications and teaching proficiency.



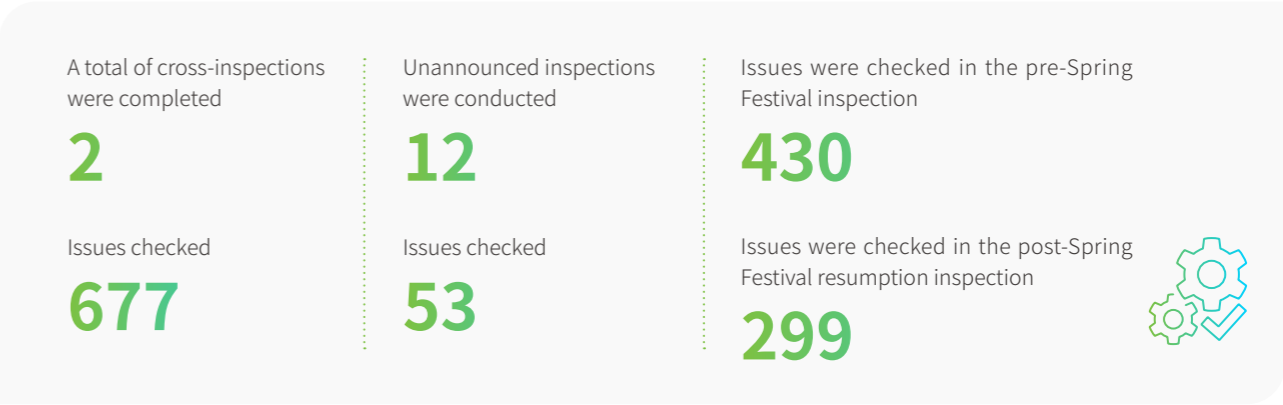
Health and Safety

Guided by the development strategy of "People-Oriented" and "Healthy Development", Sateri systematically optimizes the occupational environment and safety guarantee system. We embed safety culture deeply into daily operations and life scenarios through occupational disease prevention initiatives, regular emergency drills, and occupational health awareness campaigns.

At the management level, Health and Safety Management performance is integrated into the KPIs and promotion assessments of relevant managers. An EHS Capability Evaluation Model covering 8 core indicators (7 of which are highly safety-relevant) was established to precisely assess occupational health and safety risk control capabilities, prioritizing the management of health and safety matters.



In 2024, Sateri continued to promote the optimization and upgrading of the occupational health and safety governance system. Through multi-dimensional measures such as regulations publicity, special training, case teaching, and benchmark selection, a systematic safety defense line was built. Throughout the year, regular occupational health and safety inspections were carried out, and a high-frequency, multi-dimensional safety inspection mechanism was implemented. A total of 2 cross-inspections were completed, with 677 issues checked; 12 unannounced inspections were conducted, with 53 issues checked; 430 issues were checked in the pre-Spring Festival inspection and 299 issues were checked in the post-Spring Festival resumption inspection. These efforts ensured timely inspection and improvement, achieving an all-round enhancement in occupational health management capabilities and safety risk prevention and control efficiency.



Sateri Holds Occupational Disease Prevention and Control Law Publicity Week to Promote Popularization of Occupational Health Knowledge



In 2024, centering on the 22nd anniversary of the promulgation and implementation of the *Occupational Disease Prevention and Control Law*, Sateri carried out a series of theme publicity activities covering all employees. These activities aimed to publicize and popularize knowledge on the prevention and control of occupational disease hazards, promote the experience of occupational health management in various plants, and integrate the initiatives of building healthy enterprises and occupational health role models. Through online and offline training, online open courses, theme lectures and other activities, Sateri promoted occupational health knowledge to departments, workshops and teams, publicized the Law on the Prevention and Control of Occupational Diseases to all employees, and extended the publicity to partners such as contractors.



SJS Conducts Training on Safety, Environmental Protection and Occupational Health Awareness to Help Employees Strengthen Awareness and Sense of Responsibility



In 2024, SJS continued to carry out the annual training on safety, environmental protection and occupational health awareness, aiming to strengthen the awareness of laws and regulations, improve risk prevention capabilities, enhance employees' safety awareness, strengthen environmental protection responsibilities, reduce environmental hazards, ensure occupational health and hygiene, and improve emergency response capabilities. This training covered all middle and senior management.



SCN Organizes "Healthy Role Model Evaluation" to Effectively Safeguard Employees' Occupational Health Rights and Interests



To implement national laws and regulations on occupational disease prevention and control and respond to relevant requirements such as the *Opinions of the State Council on Implementing the Healthy China Initiative* and *Notice of the Healthy China Initiative Promotion Committee on Issuing the Healthy China Initiative (2019-2030)*, SCN organized the 2024 "Healthy Role Model" activity. Through an occupational health knowledge contest covering all employees, we further enhanced employees' awareness and ability of self-protection in occupational health and effectively safeguarded their occupational health rights and interests.



Indicators	Unit	2024
Health and safety training coverage	%	100
Total hours of occupational health and safety training	Hour	149,844
Fatalities due to work-related injuries or occupational diseases - number of incidents	Number of incidents	0
Fatalities due to work-related injuries or occupational diseases - ratio (per 200,000 working hours)	/	0
Lost time injury - number of incidents	Number of incidents	8
Lost time injury - Ratio (per 200,000 working hours)	/	0.10
Serious work-related injuries - number of incidents	Number of incidents	1
Serious work-related injuries - ratio (per 200,000 working hours)	/	0.01

Care and Communication

Sateri places great importance on employee experience, providing employees with impactful welfare programs and actively communicating with them to understand their feedback. To effectively communicate and gain insights into employees' values, Sateri participated in the RGE 2024 annual all-employee values survey conducted by a third-party professional institution during the Reporting Period. 96% of Sateri's employees participated in the survey. The results showed that teamwork and sustainable engagement ranked first with 96 points, while scores for a sense of ownership, talent development, integrity in operations, and continuous improvement all exceeded 90 points. Most of the indicators scored higher than those of high-performance enterprises, Chinese enterprise norms, and chemical industry norms.

In addition, we organized a variety of activities to encourage employees to achieve a balance between life and work.

Lyocell Nantong Holds "Unite as One, Co-Create the Future" Anniversary Celebration and Family Open Day

In 2024, marking the first anniversary of the official commissioning of the Lyocell Nantong Project, Lyocell Nantong specially organized the "Unite as One, Co-Create the Future" anniversary celebration and family open day, inviting all its employees and their families to gather together.

A total of 52 employee families, over 160 people, participated in this year's family day. The event not only included interesting parent-child interactive sessions but also arranged factory tours with explanations and a review of the project's development history. This allowed employees' families to gain an in-depth understanding of the Company's development journey and showcased the Company's corporate culture and vision for the future to employees and their families who have always given the Company the greatest support.

Lyocell Changzhou Organizes Annual Employee Team-Building Trip to Enhance Team Cohesion and Unity

In 2024, Lyocell Changzhou organized a unique employee team-building trip. This team-building trip was not only a journey to relax both body and mind but also a precious opportunity to deepen team bonds and inspire team vitality. It received enthusiastic response and high praise from all employees, effectively enhancing the team's cohesion and Unity.

SFJ Holds "Unite to Protect, Walk with Water" Activity to Relax Employees' Body and Mind

In May 2024, SFJ held the "Unite to Protect, Walk with Water" employee hiking activity. The hiking route was 10 kilometers long. The hiking group, composed of 14 teams from SFJ, walked through green mountains and clear waters. Employees were able to enjoy some fresh air and the natural spring scenery, relaxing both the mind and body.

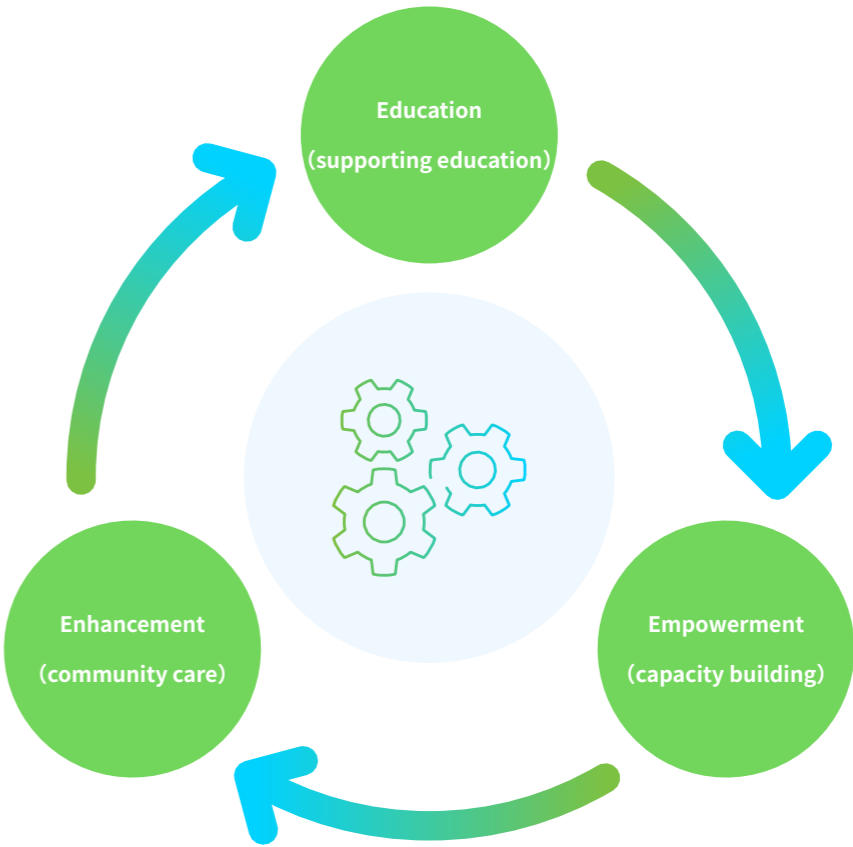
Community Support

Our Commitments

Sateri has always been committed to fulfilling corporate social responsibility. Sateri fully supports the national strategy of rural revitalization through innovative public welfare projects and continues to optimize industrial assistance and resource collaboration to achieve community poverty alleviation. We actively engage in social support work, and join hands with employees, NGOs, professionals and partners to participate in social welfare initiatives, aiming to improve community well-being and quality of life.


Our Management Strategy

Based on community needs, Sateri has built a long-term empowerment mechanism and adheres to the "3E" concept to address community issues. Through three strategic priorities of Education (supporting education), Empowerment (capacity building) and Enhancement (community care), it creates economic, social and environmental value for the community and builds a sound operating environment for the Company.



Sateri "3E" concept of Community Development

The education, care and assistance for the underage are the core focus of Sateri in promoting community development. Since it started investing in the care and assistance for underage in 2006, through 16 years of continuous efforts, it has formed a full-cycle care assistance system for minors covering the preschool education stage (0-3 years old), compulsory education stage (3-14 years old) and high school education stage (15-18 years old). With a dual-track mechanism of material security and spiritual care as the framework, this system systematically addresses the problem of educational equity through multiple paths such as rewarding excellence and helping the poor, improving education quality, and promoting science. It injects continuous momentum into individual development, and lays a long-term foundation for the accumulation of community human capital and the implementation of the rural revitalization strategy.



Supporting Education

- Sateri Education Bursary
- Dream Transformer+ Project
- Happy Library Programme

- Public Welfare Summer Camp
- Huiyu Hope Early Childhood Development Centre
- Mental Health Education Programme

As the core engine of rural revitalization, since launching the "Limin" series of projects in 2020, Sateri has continued to deepen the construction of industrial systems. By providing free chicks, technical training, and full industrial chain construction, it has helped farmers increase their income by more than one million RMB. On the basis of consolidating poverty alleviation initiatives, the Company has gradually formed a matrix of public welfare projects for diversified capacity improvement, such as "Limin Tea" and "Limin Training Programme". It develops the localagriculture sector through the government-enterprise cooperation model, carries out systematic training in planting technology, e-commerce operation and other fields, and effectively breaks the bottleneck of traditional agricultural development. In order to strengthen the internal driving force of rural development, we have simultaneously promoted cultural projects for the benefit of the people and promoted community cultural building through events such as donating funds to build the community "Neighborhood Hub", Mid-Autumn Festival Garden Tour, and Public Open Days.



Community Programme

Capacity Improvement

- Limin Chicken
- Limin Tea
- Limin Training Programme
- Rural Revitalization of Gutang, Jiujiang

Community Care

- Funded Construction of Community "Neighborhood Hub"
- Mid-Autumn Festival Garden Tour
- Police-Enterprise Joint Initiative for Community Safety
- Public Open Day

In terms of improving public services, a volunteer service network covering the whole region has been established, focusing on helping vulnerable groups, building a caring community, and protecting biodiversity. Combined with corporate image promotion and business practices, diversified volunteer activities have been carried out, such as the innovative employment program for youth plan, employee volunteer incentives, protecting finless porpoise, and environmental protection festival activities.



Volunteer Activity

Community Care

- Innovative Employment Program for Youth
- Employee Volunteer Incentives

Protecting Environment and Biodiversity

- Protecting Finless Porpoise
- Environmental Protection Festival Activities

Our Actions

Sateri drives community philanthropy through diversified approaches. Since 2013, Sateri has cumulatively invested over RMB 17 million in community philanthropy²³.

Supporting Education

During the Reporting Period, Sateri deepened its commitment to educational support across multiple domains including educational equity, merit-based financial aid, science promotion, and mental health to safeguard the healthy development of minors.

Through long-term education funds and resource donations, Sateri works to narrow the urban-rural education gap and provide sustainable support for underprivileged students.

Sateri Education Bursary: Supporting Outstanding Students in Need

Since 2006, Sateri has successively set up the "Sateri Education Bursary" in Gutang of Lianxi District, Jiujiang City, Tongwen Middle School of Jiujiang City, and Huangcun Town of Hukou County to sponsor and reward outstanding poor students. Among them, Gutang Town and Huangcun Town each distribute RMB 50,000 in grants annually to 25 excellent students in need, with RMB 2,000 in cash per student, until they complete their high school studies; Jiujiang Tongwen Middle School distributes RMB 100,000 annually, rewarding and funding 160 students each year. At the 10th anniversary ceremony of the Sateri Education Bursary at Tongwen Middle School, the Jiujiang Education Bureau awarded the enterprise the "Outstanding Contribution Award for Public Welfare Student Assistance".

By the end of the Reporting Period

The Sateri Education Bursary Project had accumulated donations of over

RMB **2.4** million

Benefiting more than

2,470 students in total



²³ Excluding Poyang Lake Project.

SFJ Launched "Happy Library Programme" in Response to the National "Scholarly Campus" Policy

SFJ actively responds to the national "Scholarly Campus" policy and the needs of Chinese education reform. Since 2016, we have gradually donated and built love libraries and class book corners for 25 rural primary and secondary schools in Putian, providing over 50,000 high-quality age-appropriate books. More than 90% of the rural schools in the Beian Economic Development Zone where the Company is located have met the per-student book collection standard required by China's Ministry of Education.

In addition, SFJ has assisted in holding more than 60 reading-related campus activities, supporting schools in developing third-classroom activities, volunteer reading companionship, and "Little Cotton Artists" creative workshops. As an off-campus extension of the third classroom, SFJ holds public welfare summer camps in the community every year, serving nearly 400 children in the community. This not only solves the problem of summer care for rural left-behind/migrant children and makes up for the lack of family education care but also narrows the urban-rural educational gap, enabling rural children to enjoy better educational conditions.



Sateri Joined Hands with Hukou County Civil Affairs Bureau to Launch "Dream Transformer+" Activity, Precisely Protecting the Healthy Growth of Disadvantaged Children

Since 2022, Sateri has joined hands with Hukou County Civil Affairs Bureau to jointly plan and implement the "Dream Transformer+" project, helping some disadvantaged children renovate their love study rooms, improve their learning environment, and provide a "1 + 6" care system, so that they can feel the warmth of family and society like ordinary children. The project has successfully explored a set of disadvantaged children assistance models combining "material help + spiritual care", precisely protecting the healthy growth of disadvantaged children, and has been recognized and praised by the government and the public.

During the Reporting Period, SJJ carried out the "Big Hands Holding Small Hands" summer companionship activity, strengthening the demonstration and leading role of the enterprise, and refining and implementing the care system.



From preschool education to after-school care, Sateri helps fill the educational gaps in the critical period of children's growth.

SFJ Huiyu Hope Early Childhood Development Centre Officially Unveiled, Winning High Praise from the Government, Residents, and Kindergartens

On August 23, 2024, SFJ Huiyu Hope Early Childhood Development Centre was officially unveiled at Changlin Branch of Gongchen Central Kindergarten in Licheng District. The project, established by the Beijing Tanoto Foundation and the China Foundation for Rural Development, has built 5 "Huiyu Hope" Early Childhood Development Centres in Putian, which were put into operation in September this year. The development center has been highly praised by the government, residents, and kindergartens.



Sateri pays attention to students' mental health and family education and builds a full-cycle support network from early education to adolescent growth.

SJS Launched "Good Mother Public Welfare Class" to Popularize Scientific Educational Concepts to Every Household

In 2024, SJS cooperated with the Suqian Women's Federation, aiming to provide parents with a platform for learning and communication through a series of free and high-quality lectures. The course content is rich and diverse, covering children's psychological development, parent-child communication skills, family emotion management, learning habit cultivation and other aspects, helping parents establish scientific family education concepts and efficient family education methods.

By the end of the Reporting Period, the "Good Mother Public Welfare Class" had reached 8 communities, benefiting more than 400 parents.



Lyocell Changzhou and SJS Carried Out School Mental Health Education Projects Respectively, Continuously Empowering Primary and Middle School Students' Mental Health

Lyocell Changzhou, together with the parent company RGE, helps promote the sustainable development of mental health education in Liyang City and strives to protect the physical and mental health of primary and middle school students. During the Reporting Period, with the support of RGE, offline training was carried out for key mental health teachers in Liyang City, training more than 220 mental health teachers, covering more than 7 primary and secondary schools, and benefiting 787 students.



In 2024, SJS cooperated with the Education Bureau of Suyu District, Suqian to build a school mental health project, aiming to support schools in exploring their mental health education models by providing continuous capacity building for primary and secondary school teachers, so as to help schools create a safe and inclusive environment where students can improve their mental health and resilience.



By the end of the Reporting Period, the mental health education project had covered more than 30 schools, trained more than 200 teachers, and benefited 10,000 students with its courses.



Sateri Developed "Rural Tourism + Industrial Tourism" Research Education, Empowering Gutang's Rural Revitalization with Corporate Resources

In 2024, focusing on the local characteristic culture of Gutang Town, Sateri integrated its modern plant into Gutang's cultural and tourism industry to nurture rural development. After nearly a year of preparation, centering on Gutang Customs, Lianxi District Finless Porpoise Patrol Team, Poyang Lake, and the non-woven factory, the Company invited professional research institutions to develop various research travel courses in line with the syllabus for primary and middle school students. It also co-built the Lianxi District Finless Porpoise Science Science Museum with the government, launching a unique "rural tourism + industrial tourism" research route for primary and middle school students in Jiujiang, which is rich in Gutang's characteristics.



Community Programme

Sateri takes root in communities, dedicates itself to rural areas, and cares for farmers. For five consecutive years, it has implemented a series of public welfare agricultural assistance projects such as "Limin Chicken" and "Limin Tea" in Hukou County and Duchang County of Jiujiang City, Jiangxi Province. These projects help local farmers improve production skills, enhance inner motivation, and restore their ability to "generate blood". By the end of the Reporting Period, the projects had benefited 1,088 poor farm households cumulatively, empowered 9 village collective cooperatives, and driven various agricultural benefits to reach RMB 2.5 million.

Limin Chicken: Teaching People to Fish, Helping Poverty Alleviation and Rural Revitalization

After five years of dedicated efforts, Sateri has built the "Limin Chicken" project into a complete industrial ecological chain: the upstream relies on a standardized incubation center to ensure high-quality chicken sources; the midstream establishes an "enterprise + cooperative + farmer" joint breeding mechanism; the downstream builds an integrated online-offline sales network. With the feature of ecological cycle agriculture, "Limin Chicken" has successfully explored a three-dimensional agricultural model integrating under-forest chicken farming, mulberry-silkworm symbiosis, and comprehensive rice-fish cultivation.

During the Reporting Period, the agricultural assistance income from the "Limin Chicken" project reached RMB 519,500, exceeding RMB 500,000 for the first time. This innovative practice won the "Excellent SDG Solution" at 2024 Goldenkey – SDG Solutions, becoming the only award-winning breeding project among more than 100 participating projects nationwide.



Limin Tea: Adapting to Local Conditions, Promoting Differentiated Agricultural Development

Launched in 2021, the "Limin Tea" project is a collaboration between the government and enterprises. Sateri developed and built "Limin Tea" in Hengshan Village, Chengshan Town, to develop and expand rural characteristic industries, helping rural areas achieve common prosperity. Through financial support, talent training, product packaging, and market promotion, Sateri continuously increases the added value of agricultural products, ensuring that more additional benefits remain in rural areas and go to farmers, enabling them to increase income and become wealthy.



Limin Training Programme: Public Welfare Empowerment, Aiding Rural Talent Revitalization

Since 2023, Sateri has established the "Limin Training Programme" as a public welfare empowerment project, helping Hengshan Village cooperatives make breakthroughs in tea forest management, tea-making techniques, and quality control, resulting in a significant improvement in the taste and quality of tea leaves.



Sateri has always regarded communities as the core position for fulfilling social responsibility. While promoting "Limin Chicken", "Limin Tea" and other beneficial initiatives, it has also deeply engaged in community care with the concept of neighborhood coexistence. Through community activities such as hardware facility construction, cultural and emotional connection, joint construction of a safe environment, and transparent interaction, the Company has transformed one-way assistance into a sustainable community relationship based on mutual trust, ensuring that public welfare actions truly take root in the details of residents' lives.

SFJ Carried out the Activity of "Building Communities Together with One Heart and Concerted Efforts"



Funded Construction of Community "Neighborhood Hub"



Mid-Autumn Festival Garden Tour



Police-Enterprise Joint Initiative for Community Safety



Public Open Day

Volunteer Activity

Sateri deeply integrates the sense of responsibility and determination for community support into the Company's value chain. By collaborating with stakeholders to carry out a series of volunteer actions, it widely calls on multiple entities to co-construct and share a harmonious community ecosystem. As of the end of the Reporting Period, the cumulative volunteer service hours of Sateri have reached 79,445.7 hours.

In addition, to better organize volunteer activities, we use an employee volunteer service platform to realize functions such as launching, recruiting, checking in, and supplemental admission of volunteer activities. It also allows mutual learning and reference with other volunteer service teams to promote the further improvement and implementation of volunteer activities.

Sateri Responded to the "Founder's Day" Corporate Social Responsibility Day Activities to Support the Development of Migrant Disadvantaged Children

Sateri actively responded to the "Warm Hearts with Old Clothes" idle clothing donation theme activity in the "1+N" event of Founder's Day 2024, set up clothing donation stations, and arranged volunteers to take turns sorting clothes and registering information every day, aiming to help with the recycling of used items and support the development of migrant disadvantaged children.



SFJ Established an Employee Volunteer Incentive Project and Successfully Built a "Volunteer Service Station" of the Community

SFJ volunteers dedicate their spare time to left-behind children, elderly people living alone, and disabled and extremely poor groups in need. Their enthusiastic service has reached the villages and schools in surrounding communities. In 2024, the second "Volunteer Service Station" established by SFJ in the community was officially inaugurated.



SFJ Launched an Autism Assistance Program to Fully Support Special Groups in the Community

SFJ provided care assistance to 150 children with autism in the community. It set up a Sateri volunteer service station in the school and organized volunteer activities such as care events at festivals, daily life assistance, and self-care ability training, bringing care and warmth to the these children.

SFJ, in conjunction with autism medical and educational institutions, launched the "Innovation Employment Program for Youth", including the cultivation, skill training, and employment assistance for autistic adolescents, comprehensively supporting them to achieve self-worth and accumulate strength for entering society.



SJJ Volunteers Cleaned the Beach and Protect Finless Porpoises in Poyang Lake, Contributing to Biodiversity Conservation

October 24th is International Freshwater Dolphin Day and Yangtze Finless Porpoise Protection Day. To safeguard the most beautiful "smile", SJJ organized more than 100 volunteers to carry out the "Caring for Finless Porpoises and Protecting Biodiversity" beach cleaning and porpoise protection action hand in hand in Poyang Lake, China's largest freshwater lake. On the path of biodiversity conservation, Sateri has always been taking action. Over the years, SJJ has also carried out volunteer activities such as releasing forage fish for finless porpoises, donating motorcycles to the finless porpoise patrol team, and erecting public welfare billboards of "Safeguard the Smile of Finless Porpoise".




SYC Carried out the Activity of "Flags Flying in the Spring Breeze, Volunteer Tree Planting to Add Greenery" to Enhance the Awareness of Surrounding Community Residents to Love Greening and Protect Nature

To help Sateri practice green development and achieve the "2030 Goals" as soon as possible, the SYC Volunteer Association, in conjunction with the Administration Department, jointly organized the 2024 Arbor Day activity of "All Things Germinate, 'Plant' This Green". At the same time, to enhance the awareness of surrounding community residents to love greening and protect nature, 36 teachers and students from Zhangzhuang Middle School in Guoshu Town were specially invited to experience the joy of labor in the plant and feel the beauty of environmental improvement on Arbor Day.



SJS Volunteers Fully Support Suqian Environmental Protection Activities and Witness Beautiful China Together

On June 5, 2024, World Environment Day themed "Comprehensively Advancing the Building of a Beautiful China," SJS volunteers actively participated in Suqian City's activities advocating harmony between humanity and nature. They strived to be both practitioners and advocates of environmental protection, calling for broader public engagement in building a beautiful China. Throughout the orderly event venue, the busy figures of SJS volunteers were seen everywhere. Through their dedicated actions, they became a vibrant view at the event, embodying the spirit of service through actions.



Operation Guarantee

Our Commitments

Sateri takes compliant operations and business ethics as the foundation of development, continuously provides high-quality products to customers within the compliance framework, establishes a responsible business paradigm, avoids risks such as business ethics and anti-corruption, and builds a solid barrier for risk prevention and control for the steady development of Sateri Group.

Our Governance

Sateri takes a sound business ethics and risk management system as the core operational guarantee, strictly follows the requirements of laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and systematically promotes the governance of business ethics, compliant operations, and anti-corruption issues through continuous improvement of internal systems and management structures. The Company has established a multi-tiered sustainable development governance framework coordinated by the Management Committee, strengthened the linkage mechanism between target management and risk prevention and control, and provided systematic support for the implementation of sustainable strategies.

Our Management Strategy

In terms of business ethics, Sateri adheres to the principle of "zero tolerance" for corruption. We have established an institutionalized internal review management system and a professional audit team, carried out normalized risk assessments, formulated precise rectification measures for identified issues, and implemented closed-loop tracking management. At the same time, we have set up a sound reporting and complaint mechanism, providing reporting channels for internal and external stakeholders, and implementing whistleblower protection measures to effectively safeguard the privacy and rights of whistleblowers. In business operations, we strictly follow relevant laws and regulations such as anti-unfair competition and anti-monopoly, implement the principle of fair competition in all links such as supplier management and market expansion, resolutely put an end to violations such as price manipulation and commercial defamation, and are committed to maintaining a healthy and orderly market environment.

In terms of risk management, Sateri implements a three-level management structure, forming a vertical management chain of "strategic decision-making - professional research and judgment - effective implementation": the Management Committee, as the decision-making center, is overall responsible for Sateri's risk management work and regularly conducts analysis and review; the Sustainability Development Department assumes the central function of risk management, responsible for identifying potential risks in the Company's operations and development, analyzing their impacts, formulating risk response plans and implementing actions, and regularly reporting risks with significant financial impacts to the Management Committee; the sustainability working groups at all sites and the functional departments are responsible for the specific implementation of risk management measures, and regularly report potential risks and risk management progress to the Sustainability Development Department.

Our Actions

Sateri strictly implements annual internal and external audits and a continuous improvement mechanism. While improving the management system, we take strengthening the compliance awareness of internal and external stakeholders as the primary line of defense, systematically enhance the business ethics level and risk control capabilities of employees, suppliers, and other relevant personnel, and build a safe guarantee for enterprise operations.

For external stakeholders such as suppliers, we clearly define the responsibilities and authorities of relevant departments in daily business, establish a corruption prevention mechanism, and regularly carry out special integrity training for procurement and employees who liaise with suppliers to ensure that compliance requirements run through all links of the value chain.

For all internal employees, we implement an annual integrity education program covering 100% employees. Combining system norms such as the *RGE Global Code of Conduct*, the *RGE COPE*, and the *Sateri Employee Handbook*, as well as 2023 internal audit cases, we have redesigned and developed the *Integrity Action* offline workshop to strengthen the understanding of corruption definition and the ability to practice professional ethics, ensuring that employees at all levels accurately master Sateri Group's compliance requirements and integrity responsibilities in business scenarios. During the Reporting Period, the *Integrity Action* offline workshop trained more than 7,000 employees; All Sateri employees participated in the anti-bribery and anti-corruption course (PRC) launched by RGE. During the Reporting Period, 0 major corruption cases occurred.

SCN was granted "Authorized Economic Operator (AEO) Certificate" by Customs



In December 2024, SCN was granted "Authorized Economic Operator (AEO) Certificate" by Customs, receiving high recognition for its honest operations and standardized management. The "Authorized Economic Operator (AEO) Certificate" brings not only Customs clearance convenience to the Company but also serves as a "golden signboard" representing the quality and strength of Sateri's fibres and a "golden key" to expanding into international markets. The Company will continue to adhere to sustainable development and operations, contributing to Jiujiang's high-standard and high-quality construction as an important node city in the Yangtze River Economic Belt.



SCN was granted "Authorized Economic Operator (AEO) Certificate"

Appendix

Appendix I: Progress on Sateri's Vision 2030

Vision	UN SDGs	Our Goals	Progress in 2024
Climate and Ecosystem Protection	<div><div>6</div><div>CLEAN WATER AND SANITATION</div></div> <div><div>7</div><div>RENEWABLE AND CLEAN ENERGY</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div> <div><div>14</div><div>LIFE BELOW WATER</div></div> <div><div>15</div><div>LIFE ON LAND</div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div>	<ul style="list-style-type: none">• Achieve Scope 1, 2 net-zero carbon emissions by 2050• Reduce GHG emissions in Scope 1, 2 and 3 by 30% before 2030 (baseline year no earlier than 2015)• Support the protection, restoration and regeneration of the land and freshwater ecosystems across our value chain footprint	<ul style="list-style-type: none">• The biomass cogeneration project commenced at the newly built Shandong Lyocell fibre mill, which will fully utilize biomass energy and is expected to reduce GHG emissions by over one million tonnes annually upon completion• In 2024, we launched new photovoltaic (PV) projects at our Lyocell Nantong and Sateri (Tongling) Nonwoven plants. Currently, six plants in total have implemented PV projects. In 2024, Sateri's photovoltaic power generation reached 25,438 MWh• Sateri received a "B" rating in the 2024 CDP Climate Change and has been recognized as a "CDP Supporter" for 4 consecutive years• In July 2024, Sateri and Conservation International launched Phase III of the Poyang Lake Ecological Conservation Project. Centered on the core concept of "Protection - Restoration - Co-management - Integration", Phase III focuses on comprehensive enhancement in ecosystem rehabilitation, biodiversity monitoring, community sustainability, and innovative ecological finance mechanisms• Joining hands with Conservation International, we deepened the Poyang Lake Wetland Ecological Conservation Project and extended the protection action to the entire Poyang Lake area• The project supported partners for 4 consecutive years from 2021 to 2024 to carry out public awareness raising activities such as science popularization, legal awareness campaign on wildlife protection, and nature experiences on commemorative days like World Wetlands Day, World Environment Day, and International Day for Biological Diversity• Sateri practices sustainable wood pulp sourcing, with 98.3% of purchases coming from certified or controlled plantations
Closed Loop Production	<div><div>6</div><div>CLEAN WATER AND SANITATION</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	<p>Build a clean and closed loop production system at all viscose mills and deliver on the following targets:</p> <ul style="list-style-type: none">• All viscose mills will meet EU-BAT limits by 2023• All viscose mills will meet ZDHC MMCF Guidelines Progressive Level by 2023• All viscose mills will achieve ZDHC-MMCF Guidelines Aspirational Level by 2027• All viscose mills will achieve total sulphur recovery above 98% by 2025• All viscose mills will achieve zero waste to landfill by 2025• Further reduce water intensity beyond EU-BAT level and significantly increase wastewater recycling rate	<ul style="list-style-type: none">• Indicators such as wastewater sulfide emissions per unit of product and wastewater zinc (Zn) emissions per unit of product of the viscose mills showed year-on-year downward trends• All Sateri's viscose mills have passed the ISO 14001 certification• All Sateri's mills have passed the STeP by OEKO-TEX® verification for sustainable textile production certified by Oeko-Tex Association• All viscose mills meet EU-BAT requirements• Sateri's five viscose mills have successfully achieved the Aspirational level requirement in the latest edition of the ZDHC <i>Man-Made Cellulosic Fibre (MMCF) Guidelines</i> issued by the Zero Discharge of Hazardous Chemicals (ZDHC)• Sateri's viscose mills have achieved an average total sulphur recovery rate of 97.6%, with three of them reaching 98% and continuing to make progress• Viscose mills and Lyocell mill achieve zero landfill of general solid waste• Viscose mills' general solid waste generation per unit of product decreased by approximately 23% year-on-year• Viscose mills' water intensity per unit of product was 33.07 m³/ton of product

Appendix II: KPIs

KPI		Unit	2022	2023	2024
Products					
Product R&D and Innovation					
Number of patent applications		/	66	61	57
Number of patent grants		/	56	54	59
Total number of patent applications		/	361	428	526
Total number of granted patents		/	267	336	411
Environmental					
GHG Emissions ²⁴					
Scope 1		Tonne of CO ₂ equivalent	5,005,617	5,742,059	5,978,661
Scope 2		Tonne of CO ₂ equivalent	278,371	295,805	410,555
Scope 1+2		Tonne of CO ₂ equivalent	5,283,988	6,037,864	6,389,216
Scope 3		Tonne of CO ₂ equivalent	13,410,468	13,906,056	21,695,854
Total energy consumption (excluding power plants) ²⁵		GJ	40,482,803	45,859,514	51,816,451
Energy intensity (excluding power plants) ²⁶	Viscose mills	GJ per tonne of product	18.96	20.01	20.03
	Lyocell mills	GJ per tonne of product	/	/	17.21
Photovoltaic power generation		kWh	12,471,880	17,688,475	25,438,310
Standard coal saved by photovoltaic power generation		Tonne	3,767	5,342	7,682
Carbon dioxide emission reduction through photovoltaic power generation ²⁷		Tonne	10,327	14,646	21,063
Air Emissions ²⁸					
SO ₂ of in-house power plants		Tonne	148	181	134
Particles of in-house power plants		Tonne	28	38	16
NO _x of in-house power plants		Tonne	366	429	464
Total sulphur recovery rate of viscose mills		%	97.5	97.1	97.6
Sulphur to air per unit of product of viscose mills		Kg per tonne of product	5.72	6.77	5.56

²⁴ Scope 1, 2, and 3 GHG includes emissions from viscose mills, Lyocell mills, nonwoven mills, Linz Nanjing, and SSH.

²⁵ Since 2023, the scope of total energy consumption (excluding power plants) has included viscose mills and Lyocell mills; in 2022, only viscose mills were included.

²⁶ Energy intensity of viscose mills = energy consumption of the production process of viscose fibre (excluding energy consumption of power plants) / converted viscose fibre output; Energy intensity of Lyocell mills = energy consumption of the production process of Lyocell fibre (excluding energy consumption of power plants) / converted Lyocell fibre output.

²⁷ Emission reduction compared with thermal power, emission factor data source: *China’s Electric Power Industry Annual Development Report 2022* issued by the China Electricity Council.

KPI		Unit	2022	2023	2024
Water Consumption ²⁹					
Total water consumption		Cubic metre	74,118,841	86,605,387	92,282,127
Surface water, including rivers, lakes and reservoirs		Cubic metre	73,925,583	86,389,079	92,103,578
Municipal water		Cubic metre	193,258	216,308	178,549
Rainwater collection/recycled water from production		Cubic metre	4,804,472	5,163,750	3,690,457
Process water intensity per unit of product ³⁰	Viscose mills	Cubic metre per tonne of product	33.47	31.87	33.07
	Lyocell mills	Cubic metre per tonne of product	/	15.12	12.49
Wastewater Discharge ³¹					
Wastewater discharge		Cubic metre	74,859,611	78,870,269	84,209,065
Total COD emission		Tonne	2,065	2,357	2,451
COD emission per unit of product	Viscose mills	Kg per tonne of product	1.18	1.29	1.27
	Lyocell mills	Kg per tonne of product	/	0.43	0.34
Total NH ₃ -N emission		Tonne	46	41	35
NH ₃ -N emission per unit of product	Viscose mills	Kg per tonne of product	0.03	0.02	0.02
	Lyocell mills	Kg per tonne of product	/	0.01	0.01
Total sulphide emission		Tonne	2	1	0.02
Sulphide emission per unit of product	Viscose mills	Kg per tonne of product	0.001	0.0005	0.00001
	Lyocell mills	Kg per tonne of product	/	0.0001	0
Total zinc (Zn) emission		Tonne	13	14	5
Zn emission per unit of product	Viscose mills	Kg per tonne of product	0.007	0.008	0.003
	Lyocell mills	Kg per tonne of product	/	0	0
Sodium sulphate recovery		Kg per tonne of product	521	516	506

²⁸ As boilers at power plants are the main source of air emissions in viscose mills, recovered process exhaust gas is delivered to boilers for further desulphurisation. Therefore, this Report discloses air emissions from boilers at power plants only. The data is from the Annual Pollution Discharge Permit Execution Report of the viscose mills. Among them, the data of particles of in-house power plants in 2024 is the actual emission data of smoke and dust in the Annual Pollution Discharge Permit Execution Report of the viscose mills.

²⁹ Since 2023, the scope of water consumption has included viscose mills and Lyocell mills; in 2022, only viscose mills were included.

³⁰ Process water intensity per unit of product of viscose mills = water consumption of the production process of viscose fibre (excluding water consumption of power plants) / converted viscose fibre output; Process water intensity per unit of product of Lyocell mills = water consumption of the production process of Lyocell (excluding water consumption of power plants) / non-converted Lyocell output.

³¹ Since 2023, the scope of wastewater discharge has included viscose mills and Lyocell mills; in 2022, only viscose mills were included. Wastewater discharge per unit of product of viscose mills = total wastewater discharge of viscose mills / non-converted viscose fibre output; Wastewater discharge per unit of product of Lyocell mills = total wastewater discharge of Lyocell mills / non-converted Lyocell output. The scope of sodium sulphate recovery includes only viscose mills.

KPI		Unit	2022	2023	2024
Solid Waste Discharge and Disposal ³²					
Total general solid waste		Tonne	938,934	979,666	786,728
General solid waste per unit of product ³³	Viscose mills	Tonne per tonne of product	0.53	0.55	0.42
	Lyocell mills	Tonne per tonne of product	/	0.04	0.04
Percentage of recycled and reused general solid waste		%	74	77	76
Percentage of general solid waste by energy recovery		%	26	23	24
Percentage of general solid waste sent to landfill		%	0	0	0
Total hazardous waste		Tonne	1,072	906	1,222
Hazardous waste per unit of product ³⁴	Viscose mills	Kg per tonne of product	0.61	0.50	0.61
	Lyocell mills	Kg per tonne of product	/	0.11	0.31
Wood Pulp Suppliers					
Total number of wood pulp suppliers		/	15	13	15
Number of PEFC™ certified wood pulp suppliers		/	9	8	10
Number of FSC® certified wood pulp suppliers		/	7	7	9
Percentage of wood pulp from certified or controlled plantations		%	96.0	99.67	98.3
Percentage of wood pulp suppliers assessed with environmental and social criteria		%	100	100	100
Percentage of wood pulp suppliers that have signed the <i>Supplier Code of Ethics</i>		%	100	100	100
Social					
Number of employees					
Total number of employees		Person	6,479	6,981	7,698
By gender	Male	Person	4,610	4,998	5,567
	Female	Person	1,869	1,983	2,131
By job grades	Senior management	Person	102	105	137
	Middle management	Person	461	512	461
	Junior employees	Person	5,916	6,364	7,100

³² Since 2023, the scope of solid waste has included viscose mills and Lyocell mills; in 2022, only viscose mills were included.

³³ General solid waste per unit of product of viscose mills = total non-hazardous general solid waste of viscose mills / non-converted viscose fibre output; General solid waste per unit of product of Lyocell mills = total non-hazardous general solid waste of Lyocell mills / non-converted Lyocell output.

³⁴ Hazardous waste per unit of product of viscose mills = total hazardous waste of viscose mills / non-converted viscose fibre output; Hazardous waste per unit of product of Lyocell mills = total hazardous waste of Lyocell mills / non-converted Lyocell output.

KPI		Unit	2022	2023	2024
Senior management	Male	%	/	80.00	89.05
	Female	%	/	20.00	10.95
Middle management	Male	%	/	85.16	82.65
	Female	%	/	14.84	17.35
Junior employees	Male	%	/	70.47	71.32
	Female	%	/	29.53	28.68
Employee Training					
Comprehensive training coverage		%	100	100	100
Percentage of employees receiving regular performance and career development reviews		%	100	100	100
Occupational Health and Safety					
Health and safety training coverage		%	100	100	100
Total hours of occupational health and safety training		Hour	167,076	172,547	149,844
Average duration of health and safety training per person		Hour/Person	25.79	24.72	19.47
Fatalities due to work-related injuries or occupational diseases - number of incidents		/	1	0	0
Fatalities due to work-related injuries or occupational diseases - ratio (per 200,000 working hours)		/	0.02	0	0
Lost time injury - number of incidents		/	7	8	8
Lost time injury - Ratio (per 200,000 working hours)		/	0.11	0.11	0.10
Serious work-related injuries - number of incidents		/	2	0	1
Serious work-related injuries - ratio (per 200,000 working hours)		/	0.03	0	0.01
Charitable Donations					
Total philanthropy investment ³⁵		RMB	2,059,000	1,654,000	1,506,000
Number of students benefiting directly from Sateri's school education support programmes		Person	28,993	54,612	71,799
Cumulative number of residents benefiting directly from Sateri's community programmes		Person	176,026	190,958	203,898

³⁵ Restatement of total philanthropy investment data, which include the philanthropy investment of viscose mills.

Appendix III: GRI Index

Statement of use	Sateri has reported in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Location	Status and Reasons for Omissions
General disclosures			
GRI 2: General Disclosures 2021			
2-1	Organizational details	About Sateri	
2-2	Entities included in the organization's sustainability reporting	About the Report	
2-3	Reporting period, frequency and contact point	About the Report	
2-4	Restatements of information	Appendix II: KPIs	
2-5	External assurance	Appendix V: Independent Verification Statement	
2-6	Activities, value chain and other business relationships	About Sateri Industrial Circularity Drive	
2-7	Employees	Talent Empowerment	
2-8	Workers who are not employees	Talent Empowerment	
2-9	Governance structure and composition	Operation Guarantee	
2-10	Nomination and selection of the highest governance body		N/A
2-11	Chair of the highest governance body		N/A
2-12	Role of the highest governance body in overseeing the management of impacts		N/A
2-13	Delegating responsibility for managing impact		N/A
2-14	Role of the highest governing body in sustainability reporting	Sustainability Management	
2-15	Conflict of interests		N/A
2-16	Communication of critical concerns	Sustainability Management	
2-17	Collective knowledge of the highest governance body		N/A
2-18	Evaluation of the performance of the highest governance body		N/A
2-19	Remuneration policies		N/A
2-20	Procedures to determine remuneration	Talent Empowerment	
2-21	Annual total compensation ratio		Information incomplete/unavailable

GRI Standard / Other Source	Disclosure	Location	Status and Reasons for Omissions
2-22	Statement on sustainable development strategy	Sustainability Management	
2-23	Policy commitments	Sustainability Management	
2-24	Embedding policy commitments	Sustainability Management	
2-25	Processes to remediate negative impacts	Sustainability Management	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Management	
2-27	Compliance with laws and regulations	Operation Guarantee	
2-28	Membership associations	Industrial Circularity Drive	
2-29	Approach to stakeholder engagement	Sustainability Management	
2-30	Collective bargaining agreements		N/A
Material topics			
GRI 3: Material Topic 2021			
3-1	Process to determine material topics	Sustainability Management	
3-2	List of material topics	Sustainability Management	
3-3	Management of material topics	Sustainability Management	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed		Information incomplete/unavailable
201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change	
201-3	Defined benefit plan obligations and other retirement plans		N/A
201-4	Financial assistance received from government		N/A
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Information incomplete/unavailable
202-2	Proportion of senior management hired from the local community		Information incomplete/unavailable
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported		Information incomplete/unavailable
203-2	Significant indirect economic impacts		Information incomplete/unavailable
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers		Information incomplete/unavailable
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption		Information incomplete/unavailable

GRI Standard / Other Source	Disclosure	Location	Status and Reasons for Omissions
205-2	Communication and training about anti-corruption policies and procedures	Operation Guarantee	
205-3	Confirmed incidents of corruption and actions taken	Operation Guarantee	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Operation Guarantee	
GRI 207: Tax 2019			
207-1	Approach to tax		N/A
207-2	Tax governance, control, and risk management		N/A
207-3	Stakeholder engagement and management of concerns related to tax		N/A
207-4	Country-by-country reporting		N/A
GRI 301: Materials 2016			
301-1	Materials used by weight or volume		Information incomplete/unavailable
301-2	Recycled input materials used	Resource Saving	
301-3	Reclaimed products and their packaging materials	Resource Saving	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Addressing Climate Change Appendix II: KPIs	
302-2	Energy consumption outside of the organization		Information incomplete/unavailable
302-3	Energy intensity	Addressing Climate Change Appendix II: KPIs	
302-4	Reduction of energy consumption	Addressing Climate Change Appendix II: KPIs	
302-5	Reductions in energy requirements of products and services	Addressing Climate Change Industrial Circularity Drive	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Resource Saving	
303-2	Management of water discharge-related impacts	Emission Management	
303-3	Water withdrawal	Appendix II: KPIs	
303-4	Water discharge	Appendix II: KPIs	
303-5	Water consumption	Appendix II: KPIs	

GRI Standard / Other Source	Disclosure	Location	Status and Reasons for Omissions
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystem Protection	
304-2	Significant impacts of activities, products and services on biodiversity	Ecosystem Protection	
304-3	Habitats protected or restored	Ecosystem Protection	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		N/A
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change Appendix II: KPIs	
305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change Appendix II: KPIs	
305-3	Other indirect (Scope 3) GHG emissions	Addressing Climate Change Appendix II: KPIs	
305-4	GHG emissions intensity		Information incomplete/unavailable
305-5	Reduction of GHG emissions	Addressing Climate Change Appendix II: KPIs	
305-6	Emissions of ozone-depleting substances (ODS)		N/A
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Emission Management Appendix II: KPIs	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Emission Management	
306-2	Management of significant waste-related impacts	Emission Management	
306-3	Waste generated	Emission Management Appendix II: KPIs	
306-4	Waste diverted from disposal	Emission Management Appendix II: KPIs	
306-5	Waste directed to disposal	Emission Management Appendix II: KPIs	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Industrial Circularity Drive	
308-2	Negative environmental impacts in the supply chain and actions taken	Industrial Circularity Drive	

GRI Standard / Other Source	Disclosure	Location	Status and Reasons for Omissions
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover		Information incomplete/unavailable
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Empowerment	
401-3	Parental leave		Information incomplete/unavailable
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Talent Empowerment	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Talent Empowerment	
403-2	Hazard identification, risk assessment, and incident investigation	Talent Empowerment	
403-3	Occupational health services	Talent Empowerment	
403-4	Worker participation, consultation, and communication on occupational health and safety	Talent Empowerment	
403-5	Worker training on occupational health and safety	Talent Empowerment	
403-6	Promotion of worker health	Talent Empowerment	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Talent Empowerment	
403-8	Workers covered by an occupational health and safety management system	Talent Empowerment	
403-9	Work-related injuries	Talent Empowerment	
403-10	Work-related ill health	Talent Empowerment	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Talent Empowerment	
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Empowerment	
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Empowerment	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Talent Empowerment	
405-2	Ratio of basic salary and remuneration of women to men		Information incomplete/unavailable
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Talent Empowerment	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		N/A
GRI 408: Child Labor 2016			

GRI Standard / Other Source	Disclosure	Location	Status and Reasons for Omissions
408-1	Operations and suppliers at significant risk for incidents of child labor		N/A
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		N/A
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures		N/A
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples		N/A
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Support	
413-2	Operations with significant actual and potential negative impacts on local therefore is not disclosed in the ESG report. communities	Ecosystem Protection	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Industrial Circularity Drive	
414-2	Negative social impacts in the supply chain and actions taken	Industrial Circularity Drive	
GRI 415: Public Policy 2016			
415-1	Political contributions		N/A
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		N/A
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Customer Service Experiences	
417-2	Incidents of non-compliance concerning product and service information and labeling		N/A
417-3	Incidents of non-compliance concerning marketing communications		N/A
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		N/A

Appendix IV: 2024 Awards and Certifications

Sateri Group was honored with "Top 10 News Stories of National Textile Product Development Base Enterprises in 2023"
The case of "Green Future with Lyocell, Co-creating a Sustainable Better Life" by Sateri Group was honored as one of the "Southern Weekly Annual Top 10 CSR Observation Cases"
Sateri’s five viscose mills have successfully achieved the Aspirational level requirement in the latest edition of the ZDHC Man-Made Cellulosic Fibre (MMCF) Guidelines issued by the Zero Discharge of Hazardous Chemicals (ZDHC)
Sateri Group was recognized as a "CDP Supporter"
Sateri Group was awarded "Innovation Model Prize" in the 2024 Pudong New Area ESG Industry Ecosystem Innovation Competition for Chinese and International Enterprises
The plant-based facial towels co-developed by Sateri Group and Hangzhou Baibeike Industrial Co., Ltd were awarded the "Green Development Award for Innovative Products" at CINTe 2024
Sateri Group was honored with the "GoldenKey Star-SDG Contributor" at 2024 Goldenkey – SDG Solutions for its outstanding contributions to advancing the UN SDGs
Sateri (Fujian) Fibre Co., Ltd. was recognized as a "Caring Corporation of 2024 9·9 Giving Day"
Sateri (Fujian) Fibre Co., Ltd was awarded the title of "Advanced Member Enterprise and Advanced Green Unit for 2023" by China Chemical Fibers Association
Sateri (Fujian) Fibre Co., Ltd. was granted as the "Fujian Provincial Manufacturing Leading Enterprise" in the inaugural cohort
Sateri (Fujian) Fibre Co., Ltd. was honored with the title of "Outstanding Economic Contribution Enterprise of Putian City"
Sateri (Fujian) Fibre Co., Ltd. was honored with the title of "Top Employer China 2024"
Sateri (China) Fibre Co., Ltd. was honored as an "Outstanding Unit of the Enterprise Contribution Award" by the Lianxi District Committee and District Government of Jiujiang City
Sateri (China) Fibre Co., Ltd. was honored as an "Outstanding Fiber Supplier for Hygiene and Maternal & Infant Products in China's Industrial Textiles Sector"
Sateri (China) Fibre Co., Ltd. was granted the "Authorized Economic Operator (AEO) Certificate" by Nanchang Customs of the People's Republic of China
Sateri (China) Fibre Co., Ltd. was conferred the title of "2023 Jiangxi Provincial Socially Responsible Enterprise"
Sateri (China) Fibre Co., Ltd. ranked 7 th among Jiujiang Top 40 Industrial Enterprises

Sateri (China) Fibre Co., Ltd. ranked 55 th among Jiangxi Top 100 Enterprises
Sateri (China) Fibre Co., Ltd. was awarded "CSR CHINA TOP 100 Rank" at the 8th CSR China Education Awards
Sateri (China) Fibre Co., Ltd.'s "Sateri Public Welfare Third Classroom" Firefighting Volunteer Service Project was recognized as an "Outstanding Volunteer Firefighting Service Project of Jiangxi Province & Jiujiang City"
Sateri (China) Fibre Co., Ltd.'s "Sateri Public Welfare Third Classroom" project was awarded "Excellent SDG Solution" at 2024 Goldenkey – SDG Solutions by Sustainability China Tribune
Sateri (Jiujiang) Fibre Co., Ltd. was awarded the "Rural Revitalization Contribution Award" by Hukou County Committee and County Government of Jiujiang City
Sateri (Jiujiang) Fibre Co., Ltd. ranked 11 th among Jiujiang Top 40 Industrial Enterprises
Sateri (Jiujiang) Fibre Co., Ltd. ranked 88 th among Jiangxi Top 100 Enterprises
Sateri (Jiujiang) Fibre Co., Ltd.'s "Limin Chicken" public welfare project was awarded the "Excellent SDG Solution" at 2024 Goldenkey – SDG Solutions by Sustainability China Tribune
Sateri (Changzhou) Fibre Co., Ltd. was honored as an "Outstanding Contribution Foreign-invested Enterprise" by Changzhou Municipal People's Government
Sateri (Changzhou) Fibre Co., Ltd. was awarded the "First Class Prize" in Science and Technology by China National Textile and Apparel Council (CNTAC)
Sateri (Changzhou) Fibre Co., Ltd. was honored with the "Strength Nandu Award for Scale Development Award" by People's Government of Nandu Town, Liyang City
Sateri (Changzhou) Fibre Co., Ltd. was honored with the "Strength Nandu Special Contribution Award" by the People's Government of Nandu Town, Liyang City
Sateri (Yancheng) Fibre Co., Ltd. was honored as a "Comprehensively Advanced Enterprise" by Funing County Government.
Sateri (Yancheng) Fibre Co., Ltd. was conferred the "Economic Development Award" by Yancheng High-tech Zone
Sateri (Yancheng) Fibre Co., Ltd. was conferred the "High-Quality Development Award for Surpassing and Advancing" by Yancheng High-tech Zone
Sateri (Jiangsu) Fibre Co., Ltd. was officially certified as Foreign-Invested Enterprise R&D Center
Sateri (Jiangsu) Fibre Co., Ltd. was honored as 2024 Suqian Top 20 Private Enterprises

Appendix V: Independent Verification Statement

Independent Verification Statement



Verification Statement: EIV2 119078 0004 Rev. 00

To the management and stakeholders of Sateri Group,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD (China)") has been engaged by Sateri Group (hereinafter referred to as "Sateri" or "the Company") to perform an independent third-party verification on its *2024 Sustainability Report* (hereinafter referred to as “the Report”). During this verification, TÜV SÜD (China)'s verification team strictly adhered to the agreed terms of the contract with Sateri and conducted the verification within the authorized scope.

This Independent Verification Statement is prepared based on the data and information collected and provided by Sateri. Accordingly, the verification scope is limited to the provided materials. Sateri shall be held accountable for authenticity and completeness of the provided materials (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame:

- ❖ Environmental, social and governance-related data and information, management approaches and operational measures for material topics, and sustainability performance during the reporting period (from 1st January 2024 to 31st December 2024).

Physical boundary:

- ❖ The on-site verification sampling took place at Sateri Shanghai Headquarters, 23rd Floor, East Tower, Zhongrong Hengrui International Plaza, No. 620 Zhangyang Road, Shanghai; Sateri Jiujiang Factory, Gutang Town, Lianxi District, Jiujiang City, Jiangxi Province.

Scope of data and information for the verification:

- ❖ The data and information of Sateri and the companies under its operational control in the Report.

The following data and information are beyond the scope of this verification:

- ❖ Any contents beyond the reporting period;
- ❖ The data and information of Sateri's suppliers, partners and other third parties;
- ❖ The financial data and information audited by an independent third party.

Limitations

- ❖ The verification was conducted within the aforementioned scope. TÜV SÜD (China) applied sampling-based assurance procedures to the Report's data and information, and only the stakeholders within the Company are interviewed.
- ❖ The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before 1st January, 2024 are beyond the scope of this verification.
- ❖ The verification conclusions are based on the analysis of the data and information collected during the verification, which may not identify all potential issues or circumstances and shall not constitute a guarantee of the credibility or status of the subject of verification.

Independent Verification Statement



Verification Statement: EIV2 119078 0004 Rev. 00

Methodology

This verification was conducted by TÜV SÜD (China)'s expert team with extensive experience in environmental, social and governance-related areas and drew the conclusions thereof. The verification standards included:

- ❖ *AA1000AS v3, Type 2, Moderate Assurance*
- ❖ *Sustainability Report Verification Programme Operation Rule (CCB_EIV_GR_002E Rev02)*

In order to perform adequate verification in accordance with the contract and provide sufficient assurance over the conclusions, the verification team conducted the following activities:

- ❖ Conducted background and materiality research
- ❖ Verified the disclosure of material topics and related performance metrics in the Report
- ❖ Performed On-site verification of all supporting documents, data and information provided by Sateri; with sampling-based verification of key performance data and information
- ❖ Conducted special interview with Sateri's management; and held interviews with employees involved in the collection, compilation and reporting of the disclosed information
- ❖ Other procedures deemed necessary by the verification team

Verification Conclusions

Based on the verification, we believe that the data and information presented in the Report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on the Report:

Inclusivity	Sateri has comprehensively identified both internal and external stakeholders of the organization, including government and regulatory bodies, customers, shareholders and investors, non-governmental organizations (NGOs), employees, suppliers, and community members, while establishing stakeholder communication mechanisms to regularly gather genuine feedback from these parties.
Materiality	Sateri has established the process of material topics determination, identified the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report’s adherence to materiality principle is guaranteed.
Responsiveness	Centering on stakeholder concerns, Sateri has transparently disclosed its management approaches and performance regarding crucial issues across product R&D and innovation, energy transition, business ethics and compliance, biodiversity conservation, as well as diversity, equity and inclusion (DEI). The Company has also established communication mechanisms to adequately address stakeholders' demands and expectations.
Impact	Sateri has established a management committee responsible for the development of sustainability strategies, overall objectives and regular risk management. The subordinate sustainability development department identifies and monitors potential sustainability risks in daily operations, tracks the Company's sustainability performance and discloses sustainability related information. The Company assesses the impact of its own business on the economy and the environment, monitors, measures and be accountable for impacting the broader ecosystem.

Independent Verification Statement



Verification Statement: EIV2 119078 0004 Rev. 00

Recommendations on Continuous Improvement

- ❖ The verification team has communicated improvement recommendations to the Company's management during the on-site verification process.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 28,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD (China) is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD (China) and Sateri are two entities independent of each other and both TÜV SÜD (China) and Sateri and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by Sateri. TÜV SÜD (China) has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Wenjun Zhu

TÜV SÜD (China) Technical Certifier

Shanghai, China, 13/06/2025



Sateri