

SUPCON

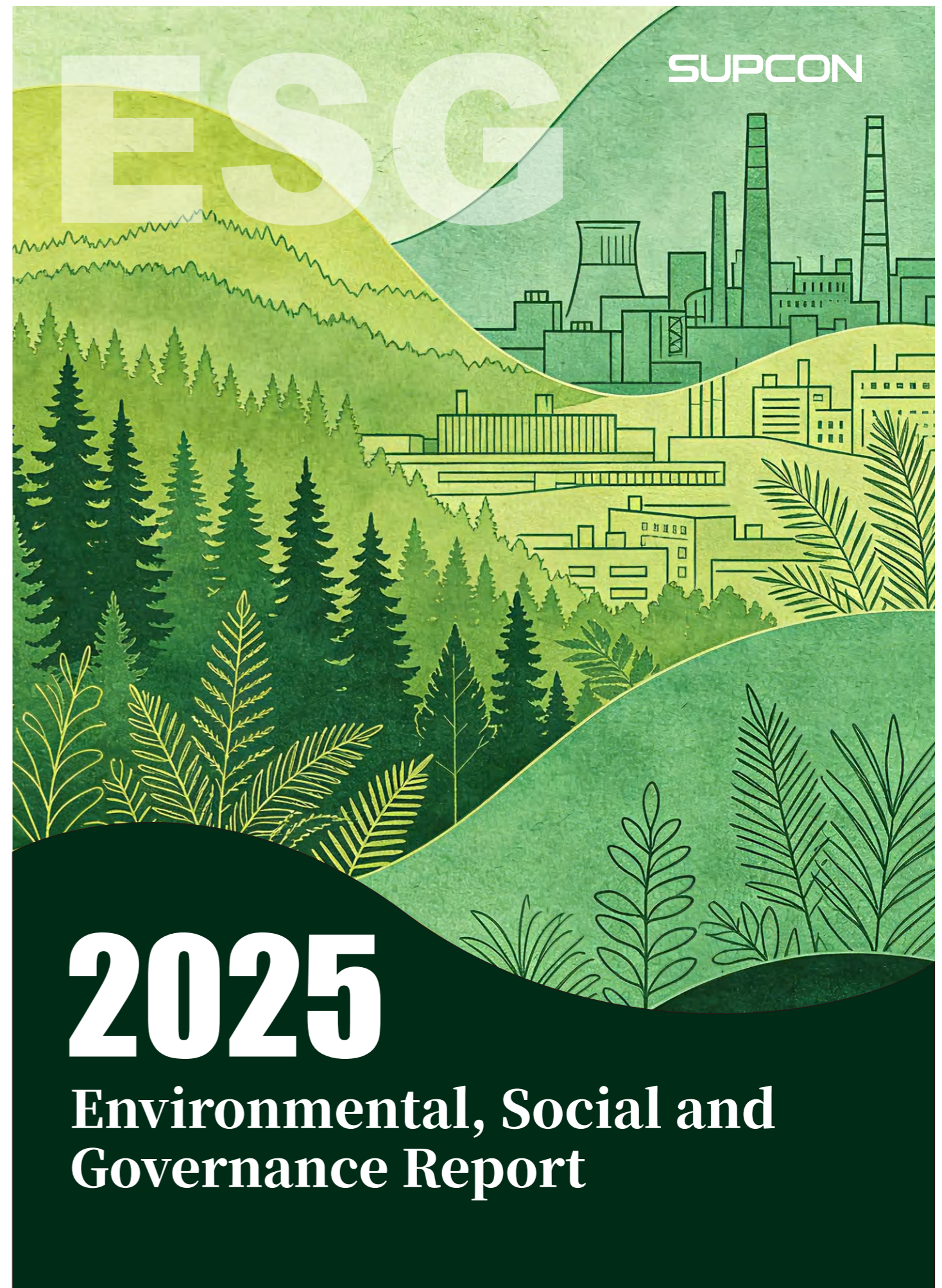


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SUPCON Technology Co., Ltd.

<https://global.supcon.com>



Vision

Leading Industrial AI to Sustainable Growth

Mission

Elevate Industrial Intelligence, Drive Customer Success

Core Values

User First, Collaboration, Innovation, Integrity, Self-Driven

Corporate Culture

Happy, Fulfilled, Valued, Respected

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Preface »



📄 Scope

This is an annual report with a focus on our efforts in economic development, environmental protection and social responsibility from January 1 to December 31, 2025 (hereinafter referred to as the "Reporting Period"). Some of the contents may extend beyond the above.

📄 About the Company Name

In this report, "SUPCON Technology Co., Ltd." is referred to as "SUPCON Technology", "SUPCON", "the Company", or "we".

🕒 About the Data

The financial data in this report is extracted from the 2025 Annual Report. If it is inconsistent with that in the Annual Report, please refer to the Annual Report. If it is inconsistent with that in the Annual Report, please refer to the Annual Report. Other data is derived from the statistics of the internal system and affiliated companies of SUPCON. Unless otherwise specified, the unit of currency mentioned in this report is RMB.

🛡️ Reliability Guarantee

We promise that the content of this report does not contain any false records, misleading statements or material omissions. The board of directors of SUPCON is responsible for the authenticity, accuracy and completeness of the content. We promise that the content of this report does not contain any false records, misleading statements or material omissions.

✉️ Where to Read the Report

This report is available in hard copy and electronic form. The electronic version can be read and downloaded at the website of SUPCON (www.SUPCON.com) and the website of SSE (www.sse.com.cn).

If you have any questions about this report, please call us or write to us.

Our contact information.

SUPCON Technology Co., Ltd.

Address: SUPCON, 309 Liuhe Road, Binjiang District, Hangzhou, China

Tel.: 0571-88851888

Fax: 0571-86667555

email: SUPCON@SUPCON.com



📄 Report Preparation Statement

📄 Statement

This report is released together with the 2025 Annual Report. This report aims to inform all our stakeholders of our sustainability approach, actions and outcomes. Hopefully, you will learn more about us from this report and give your suggestions to help us make further progress.

📄 Basis

This report refers to the Ministry of Finance's Guidelines for Sustainable Corporate Disclosure – Basic Guidelines (Trial), the Shanghai Stock Exchange's Guidelines for the Application of the Self-Discipline Rules for Listed Companies on the Sci-Tech Innovation Board No. 2 – Voluntary Information Disclosure and Guidelines for the Self-Discipline of Listed Companies on the Shanghai Stock Exchange No. 14 – Sustainability Reporting (Trial) (hereinafter referred to as the 'Guidelines'), the China Securities Regulatory Commission's Guidelines for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Reports (revised in 2021), Global Reporting Initiative ('GRI') Sustainability Reporting Standards (Core Program), and International Organization for Standardization ('ISO') 26000.



A Message from the Leadership

Cui Shan
Chairman, President & ESG Committee Director
SUPCON Technology Co., Ltd.



The world is undergoing a profound low-carbon transition and digital transformation, with ESG (environment, society and governance) being the important metric for assessing corporate sustainability. SUPCON is advancing an industrial AI strategy and integrating the ESG concept into its strategies and operation. In 2025, guided by our commitment to the environment, society, and governance, the Company built a three-level governance system that features the board's leadership, ESG Committee oversight, and business units' collaborated implementation. The system aligns the ESG strategy with SUPCON's development direction, practicing corporate responsibility with tangible actions while driving innovative, green, and sustainable growth.

Green Operation and Low-Carbon Enabling

We have defined our carbon neutrality vision of "being a practitioner and promoter of smart zero-carbon" and released the carbon neutrality blueprint of "Three Scopes, Four Pillars, and Five Domains", setting a clear goal of "achieving operational carbon neutrality by 2035 and reducing Scope 3 carbon emission intensity by over 30% compared to 2021."

We drive green manufacturing and eco-friendly office initiatives in our internal operation. With the launch of a digital energy management platform and full rooftop solar coverage across our production facilities, we have achieved a 40% year-on-year increase in renewable energy consumption and reduction of operational emissions by 2746.62tCO₂e for the year. We have independently developed a "Fun Carbon Reduction" platform to encourage low-carbon practices across the company, decreasing emissions by more than 21.16tCO₂e.

As for our support for customers, we leverage clean technology innovations to facilitate industrial decarbonization. We have released TPT2.0, the process industry's first industrial time-series foundation model, to leverage industrial AI for energy saving and efficiency. Our next-generation control system, UCS-Nyx, decreases cabinet space

requirements by 90% and cuts cable usage by 80%, reducing carbon footprints from the source. From 2019 to 2025, SUPCON's cumulative social emission reduction contribution continued to expand, helping customers avoid 3.82 billion tCO₂e throughout the life cycle, and utilized industrial AI to drive the green transformation of the process industry.

Support for employees and contribution to communities

Talents are the most precious assets to SUPCON. Guided by the philosophy that celebrates a "happy, enriched, valued, and respected" employee experience strives to build a workplace featuring diversity. In 2025, SUPCON won the honorary title of 2025 Zhejiang Extraordinary Employer "2026 Best Employer" for 99% employee satisfaction, and gave more than 100 training sessions for more than 30,000 people. Thanks to a continuously improved occupational health and safety system, SUPCON achieved zero occupational diseases and zero major safety accidents.

To fulfill our social responsibility, we take concrete actions to repay communities, providing over 300 new jobs and nearly 200 campus recruitment positions. For 22 consecutive

years, we have organized blood donations, "Firefly" volunteering for children with special needs, forest conservation, and support for the cause of education. Besides, we donated 13 million Yuan throughout the year, embedding responsibility and goodwill into our corporate DNA.

Digital and intelligent governance and compliance as the cornerstone

We upgrade governance with digital and intelligent applications and make compliance the cornerstone of our development. During the reporting period, the Company embraces frontier AI technologies to build an open and compatible AI application development platform featuring a wide range of BaseAgent. Our data security systems continued to improve, achieving zero major data breaches. In compliance and business ethics, we adhered to a "zero-tolerance" policy, achieving 100% coverage in business ethics training throughout the year.

Maintaining an A rating for information disclosure on the SSE STAR Market for three consecutive years and an upgrade to AA in MSCI ESG rating, we have received accolades including the Top 50 Most Valuable Companies

on the STAR Market, the Golden Information Disclosure Award, Most Innovative STAR Market Listed Company 2025, and Outstanding ESG Listed Company 2025, Securities Star-ESG New Benchmark Enterprise Award, 2025 Top 100 ESG Performing Listed Companies in Zhejiang, and 2025 Zhejiang Social Responsibility Benchmark Enterprise, proving our continuous progress in transparency and credibility.

Looking ahead, SUPCON will keep industrial AI as our core engine to boost green and low-carbon development, becoming a benchmark for modern governance. Meanwhile, SUPCON will collaborate with global partners to shoulder social responsibility to advance industrial sustainability through AI and create a better living environment for humanity.



Company Profile

Established in the 1990's, SUPCON Technology Co., Ltd. (hereinafter referred to as "SUPCON", stock code: 688777.SH, SUPCON.SW) is a global pioneer in industrial AI solutions, leveraging industrial data, advanced AI models, and full-scenario intelligent systems to reshape production, operations, and decision-making in process industries. By integrating "technology innovation" and "business model innovation", the company pioneers next-generation AI-driven productivity, accelerating the transition from industrial automation to autonomous operations. Guided by its mission of "Elevate Industrial Intelligence, Drive Customer Success", SUPCON delivers tailored solutions across "AI + Safety", "AI + Quality", "AI + Green", and "AI + Profit". Through its "Technology + Application Scenarios + Ecosystem" strategy, the company is driving sector-wide transformation from fragmented automation to end-to-end intelligent workflows, fostering a robust AI ecosystem that bridges R&D, real-world applications, and cross-industry collaboration. SUPCON's cutting-edge technologies serve over 39,000 clients in more than 50 countries and regions, spanning industries such as chemicals, petrochemicals, oil & gas, power, pharmaceuticals, metallurgy, building materials, pulp & paper, new energy, food & beverage, and more. Its solutions empower global process industries to achieve high-quality, sustainable growth while advancing the creation of safer, greener, and more efficient industrial environments worldwide.

Technology Leap: Moving into a New Phase of Autonomous Operations Centered on Industrial AI

The next phase of intelligent manufacturing is defined by unmanned and autonomous operations, driven by the large-scale implementation of AI in industrial settings. Leveraging deep expertise, vast data resources, advanced algorithms, and diverse real-world applications, SUPCON has launched the industry's first Autonomous Operating Plant (AOP) for process industries. With the Time-series Pre-trained Transformer (TPT) as the plant's "smart brain" and the Universal Control System (UCS) as the "industrial neural hub", the company has built a complete intelligent closed loop of "perception-assessment-decision-execution", addressing fundamental industry challenges across production, safety, and operations, and driving plants from "automatic control" to "intelligent decision-making" and then to "autonomous operations".

Industrial control systems remain the backbone of AI-driven manufacturing, and SUPCON has deployed over 100,000 systems globally with approximately 100 million I/O points, generating a staggering 100 exabytes (EB) of industrial data. According to industry analyst MIR, SUPCON's DCS systems claimed 45.1% of China's market share in 2025, marking 15 consecutive years as the domestic leader. In 2025, SUPCON led the approval of the "General Control System Design Specification" group standard, filling a gap in both domestic and international standards for general control system design.

Beyond automation, the company is accelerating its industrial AI strategy through robotics innovation. The company has invested in the Zhejiang Humanoid Robot Innovation Center Co., Ltd., and launched the self-developed "NAVIAI" series of humanoid robots. SUPCON has also introduced the innovative "Plantbot" solution centered on "AI + Platform + Industrial Robots", creating a full-scenario application system covering "high-altitude, ground, and indoor" environments and forming a standardized inspection product series, driving process industry enterprises toward reduced- or unmanned operations.

Business Model Innovation: Defining a New Paradigm for Industrial Services

Committed to customer-centricity, SUPCON has pioneered the "Offline PlantMate 5S Store + Online PlantMart Platform" one-stop industrial service ecosystem, driven by the dual engines of technology and business model innovation in process industries. By the end of 2025, SUPCON have established 200 PlantMate 5S Stores (i.e., Sales, Service, Spare parts, Specialists, and Solutions) spanning 729 chemical parks in China and overseas countries such as Saudi Arabia, Thailand, Canada, Kazakhstan, Malaysia, etc. This approach reduces service radius, shortens response time, and allows us to better address customer needs, thereby accelerating the evolution of scenario-based solutions.

The Online PlantMart Platform innovatively integrates core capabilities such as professional product selection, integrated store-warehouse operations, full-chain quality control, and digital empowerment, providing enterprises with professional, efficient, and transparent digital supply chain services, where aggregates SUPCON's self-developed products, third-party offerings, intelligent software, and industry knowledge bases to build a multi-dimensional industrial ecosystem. As a strategic accelerator for SUPCON's "AI + Data" implementation, the platform features intelligent, visualized, and data-driven operations, enabling transparent, efficient, and compliant digital supply chains through online, data-driven collaborative models, continuously evolving industrial e-commerce from traditional transactions to an ecosystem-level platform centered on "data value-added + intelligent services".

In addition, SUPCON has pioneered a subscription business model in the industry, pricing software based on product value. Customers can log into the platform to achieve full-process self-service and standardization, flexibly meeting diverse needs while



significantly reducing initial investment costs. Leveraging a three-tier service network ("self-service + remote + on-site") and a full-lifecycle online management platform, SUPCON continues to improve service efficiency and quality.

Ecosystem Co-creation: From Local Aggregation to Global Resonance

With "symbiosis and win-win" as its core ecosystem philosophy, SUPCON is building a collaborative digital ecosystem characterized by "capability complementarity, value sharing, and continuous evolution", partnering with global players to redefine value creation in industrial AI. SUPCON has launched ecosystem collaboration mechanisms such as the Clustar • Galaxy Program, APL Ecosystem Partner Program, and STEP Certification Program (SUPCON Trusted Ecosystem Partner), and initiated the Industrial AI Data Alliance (DAIA), engaging hundreds of partners worldwide in deep cooperation. Concurrently, SUPCON drives technology-industry convergence via partnerships with universities like Zhejiang University, China University of Geosciences (Wuhan), Nanjing Tech University, and Huazhong University of Science and Technology, bridging technology R&D with industrial needs and forming a strategic closed loop of shared ecosystem resources, laying a solid foundation for long-term sustainable ecosystem development.

Leveraging its deep expertise and leading practices in process industry data governance, industrial AI, and autonomous operating plants, SUPCON has been selected as a pilot unit for the Ministry of Industry and Information Technology's "Industrial Data Foundation Initiative", a "First Batch of Zhejiang Province Industrial Trusted Data Space Innovation Pilot", and a "First Batch of Zhejiang Province High-Quality Datasets Catalog for Key Industrial Sectors". To further strengthen the data foundation for training, optimizing, and evaluating industrial large models, SUPCON co-founded the Industrial AI Data Alliance (DAIA) in 2025 together with leading enterprises, engineering institutes, universities, and professional institutions. The alliance now brings together hundreds of member units covering chemicals, petrochemicals, metallurgy, pharmaceuticals, energy, and other sectors, has achieved data property registration for its first batch of high-quality datasets, enabled secure cross-enterprise and cross-scenario industrial data circulation among multiple members, and delivered remarkable results in typical industrial process scenarios.

Driven by this ecosystem, SUPCON is rapidly accelerating the transition of its core industrial AI product solutions from technical validation to large-scale commercial application. In 2025, the company's industrial AI solutions were successfully deployed at domestic leading enterprises including PetroChina, Sinopec, National Pipeline Network Group, Huayi Group, Wanhua Chemical, and China Coal Information Technology, and gained recognition from international clients such as Saudi Aramco, Mitsubishi Chemical, and ISU Chemical. Notably.

With the strategic depth of its technology-ecosystem dual engines, SUPCON is injecting Chinese innovation into global industries through its SUPCON INTERNATIONAL BUSINESS PTE.LTD. and service networks spanning Southeast Asia, South Asia, Central Asia, the Middle East, Africa, Europe, and the Americas. Partnerships with giants like Saudi Aramco, BP, ADNOC, Shell, BASF, Sabc, IMI, KPC, PETRONAS, and Indorama focus on co-developing large-scale digital projects under a model of "technology sharing, scenario co-development, and value co-creation." From local ecosystem synergy to global impact, SUPCON and its partners are co-authoring the next chapter of industrial AI—one where collaboration unlocks smarter, more sustainable industries worldwide.

Annual Awards

Wind ESG AA rating	Top 50 Most Valuable Companies on the STAR Market	Most Innovative STAR Market Listed Company 2025
Included in major indices such as the MSCI China Index, CSI A500 Index, SSE STAR 50 Index, CSI 500 Index, and SSE 380 Index	Rated AAA in the Ministry of Industry and Information Technology's (MIIT) Intelligent Manufacturing System Solution Providers Classification and Leveling Evaluation	
First Batch of MIIT's Excellence-Level Intelligent Factories	Included in the first batch of High-Level Quality Management Capability Enterprises of the Ministry of Industry and Information Technology	Included in the 2025 BRICS Industrial Cooperation Excellent Case Collection by the Ministry of Industry and Information Technology
Shortlisted for the Fortune China Tech 50	One of the Top 50 China Automation + Digitalization Brands	Ranked as a "Leader" in IDC MarketScape China Industrial Foundation Models and AI Agents
Most Innovative STAR Market Listed Company 2025	WISE2025 King of Business: AI Application Breakthrough Enterprise of the Year	2024 China Automation Enterprise of the Year
2025 Zhejiang Extraordinary Employer	Top Employer China 2026	Best Employer of the Year



I. Assessment of Topic Materiality



Materiality assessment is the basic stage for ESG management and information disclosure. Following regulatory requirements and international standards, the Company systematically identifies key ESG topics in light of the industry characteristics and actual operations. Through multi-dimensional research, stakeholder engagement, and combined qualitative and quantitative analysis, the Company has developed a materiality ranking and matrix, which defines its priorities for management and disclosure and provides a clear basis for stakeholders to understand its ESG performance.

1.1 Selection of Topics

Considering SUPCON's industry characteristics, domestic and international market requirements, corporate development, and the relevance and materiality of various factors to stakeholders, the Company comprehensively assessed environmental, social, and governance (ESG) factors, aligned with the United Nations Sustainable Development Goals (SDGs) and the Shanghai Stock Exchange's Sustainable Development Report (Trial), refined the assessment and management of its key topic, and identified key topics, which were subsequently reviewed and approved by the ESG Committee and the Board of Directors. These topics were the primary focus areas for ESG management and disclosure in 2025.

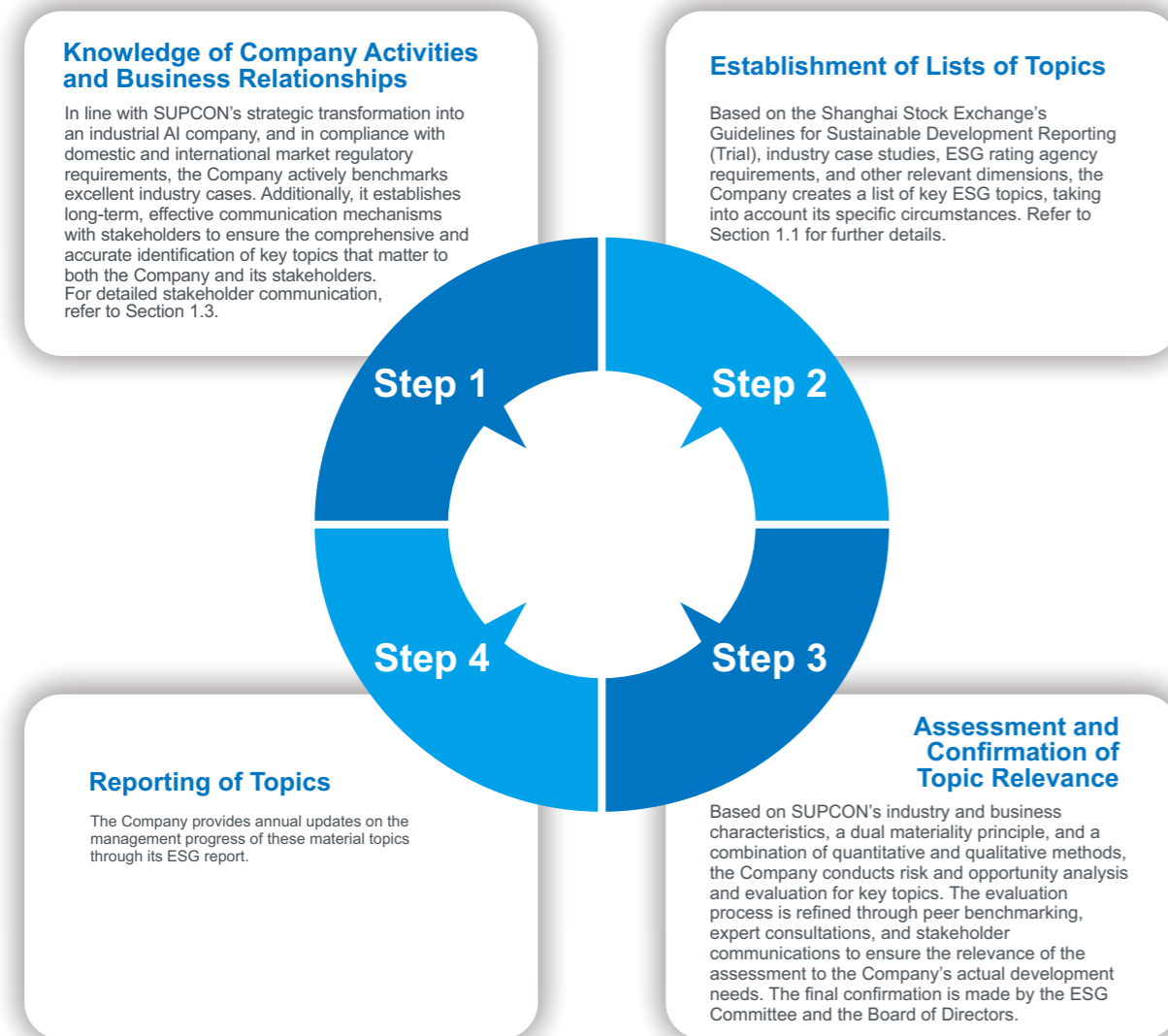
The details are as follows:

E (Environmental Topics)	S (Social Topics)	G (Corporate Governance Topics)
Responding to Climate Change	Employees	Anti-Commercial Bribery and Corruption
Energy Utilization	Product And Service Safety and Quality	Anti-Competitive
Waste Disposal	Supply Chain Security	Stakeholder Communication
Water Utilization	Data Security and Customer Privacy Protection	Corporate Governance
Pollutant Emissions	Innovation As a Driving Force	Digital Intelligence Empowerment
Circular Economy	Rural Rejuvenation	
Environmental Compliance Management	Social Contribution	

1.2 Dual Materiality Analysis

1.2.1 Key Topic Analysis Process

Based on the double materiality principle, which involves financial¹ [The anticipated impact of the relevant topics on the Company's business model, operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs, both in the short, medium, and long term, is evaluated.] and impact materiality² [The potential or actual significant impact of the company's performance on the relevant issues on the economy, society, and environment should also be taken into account.], the Company performs annual analysis and evaluations on key ESG topics through multiple channels including internal and external environmental changes, policy dynamics, and expert consultations, ensuring that the ESG governance aligns with the SUPCON's strategic direction.



¹The anticipated impact of the relevant topics on the Company's business model, operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs, both in the short, medium, and long term, is evaluated.

²The potential or actual significant impact of the company's performance on the relevant issues on the economy, society, and environment should also be taken into account.

1.2.2 ESG Analysis Process, Methodology, and Prioritization

In line with standards such as GB/T 24353--2022 Guidelines for Risk Management and Guidelines for Applying Enterprise Risk Management to Environmental, Social, and Governance-related Risks, the Company integrates ESG risks into its risk management processes and progressively enhances its ESG risk management framework.

Risk likelihood assessment: The likelihood of risks across short, medium, and long terms is assessed and categorized into four levels -- "Low", "Medium", "High", and "Very High".

Definitions for Short, Medium, and Long-Term

Short-Term	Within one year after the conclusion of the Company's sustainability reporting period (inclusive of one year).
Medium-Term	From one year to five years (inclusive of five years) following the conclusion of the sustainability reporting period.
Long-Term	Over five years following the conclusion of the sustainability reporting period.

Risk severity assessment: Severity is thoroughly evaluated across five dimensions: adaptability, complexity, speed, sustainability, and resilience. Possible effects and severity of risks are assessed.

Additionally, recognizing the complexity of ESG risks, the Company gathers other important factors to consider based on industry characteristics, standard guidelines, expert interactions, and brainstorming sessions. By combining these insights with its practical realities, the Company aims to achieve a comprehensive understanding of the severity of ESG-related risks and thoroughly evaluate their effects on the company in the short, medium, and long term.

Based on a comprehensive evaluation of both risk likelihood and severity, ESG-related risks are prioritized and categorized into four levels: Level 1 (critical), Level 2 (major), Level 3 (significant), and Level 4 (minor). The Company assessed the potential impacts of these risks on our operations in the short, medium, and long term and formulated corresponding response tracking measures to mitigate these risks effectively.

1.3 Due Diligence and Stakeholder Communication

1.3.1 Due Diligence

In 2024, During the reporting period, the Company engaged a third-party agency to carry out a due diligence assessment of its sustainable development initiatives, concentrating on several dimensions. Firstly, in the environmental realm, the assessment included compliance with environmental requirements, waste management, wastewater and air emissions, climate change strategies, energy consumption, land use and biodiversity, noise and odor control, and the handling of hazardous materials. Secondly, in health and safety, the investigation addressed product safety, transportation safety, process safety and storage, occupational health and safety, emergency preparedness, healthcare services, and security measures. Furthermore, in the area of labor and human rights, the assessment focused on issues such as child labor, forced labor, working hours, minimum wage, freedom of association, and discrimination. Lastly, in corporate governance, the due diligence evaluation examined business integrity, privacy and intellectual property rights, fair competition practices, and the effectiveness of disciplinary and complaint mechanisms.

The investigation involves on-site visits, document reviews, and other methods to fully identify and evaluate the Company's negative impacts and risks related to sustainability, suggesting appropriate mitigation actions based on the findings, to strengthen its capacity for sustainable development.

1.3.2 Stakeholder Communication

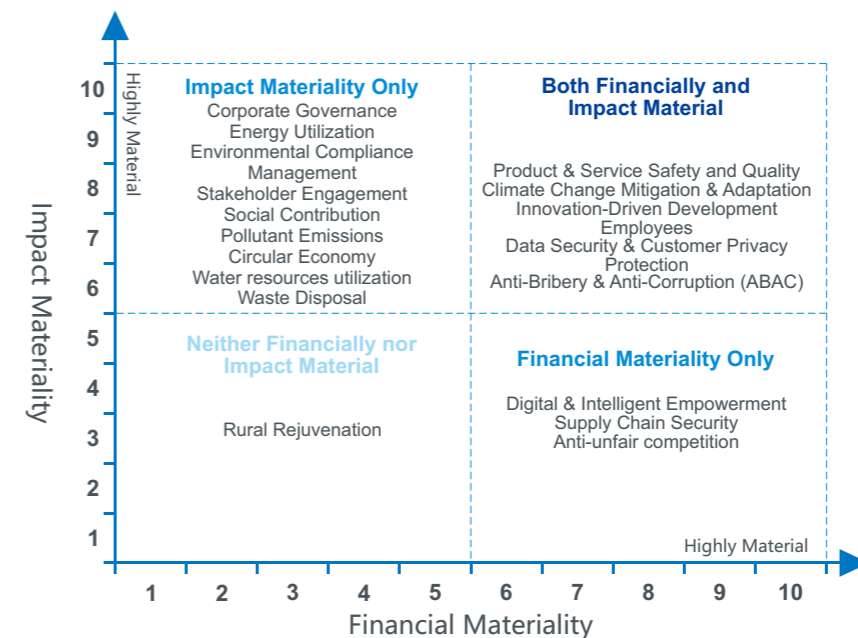
The Company values communication with various stakeholders, including government bodies, customers, and partners, as an effective means to enhance ESG governance. Through a combination of online and offline channels, the Company establishes a long-term, effective communication mechanism with stakeholders, ensuring timely and effective feedback and responding to their concerns and expectations.

Key Stakeholders	Stakeholder Representatives	Topics of Concern	Communication Method
Government and Regulatory Bodies	Regulatory Authorities in the Operating Regions	Digital Intelligence Empowerment Anti-Commercial Bribery and Corruption Anti-Competitive Product And Service Safety and Quality Responding to Climate Change Innovation As a Driving Force Environmental Compliance Management	On-site research and study Disclosure of information Official correspondence Policy enforcement Informal exchange of views
Shareholders and investors	Domestic and foreign shareholders, key financial investors	Corporate Governance Anti-Commercial Bribery and Corruption Innovation As a Driving Force Supply Chain Security Responding to Climate Change	General meeting of shareholders Performance briefings Thematic bulletin Investor networking events

Key Stakeholders	Stakeholder Representatives	Topics of Concern	Communication Method
Employees	General staff, management staff	Employees Corporate Governance Data Security and Customer Privacy Protection Innovation As a Driving Force Product And Service Safety and Quality Environmental Compliance Management Stakeholder Communication Digital Intelligence Empowerment Responding to Climate Change	Employee welfare activities ESG training awareness campaign SUPCON Academy routine inspection Complaint reporting channels
Customers	Customers in the process industry, new energy industry, etc.	Innovation As a Driving Force Anti-Commercial Bribery and Corruption Product And Service Safety and Quality Supply Chain Security Responding to Climate Change Digital Intelligence Empowerment Data Security and Customer Privacy Protection	Customer satisfaction survey After-sales service and complaint channels Client networking events Data and Privacy Protection Product quality report ESG Disclosure of information
Suppliers and Partners	Suppliers, industry associations, research institutes, etc.	Supply Chain Security Innovation As a Driving Force Product And Service Safety and Quality Cleantech Opportunities Digital Intelligence Empowerment	Supplier training exchange visits Supplier surveys Industry-academia-research cooperation Cooperation in scientific research projects Industry networking events
Neighborhood and community representatives	Charities, NGOs, neighborhood community management Organizations	Social Contribution Rural Rejuvenation Waste emissions Employees	ESG-related advocacy activities Social welfare activities Volunteer activities ESG Disclosure of information

1.4 Conclusion on Topic Importance Analysis

Based on the dual materiality principle, an analysis of 19 key topics for the Company in 2025 has been completed.



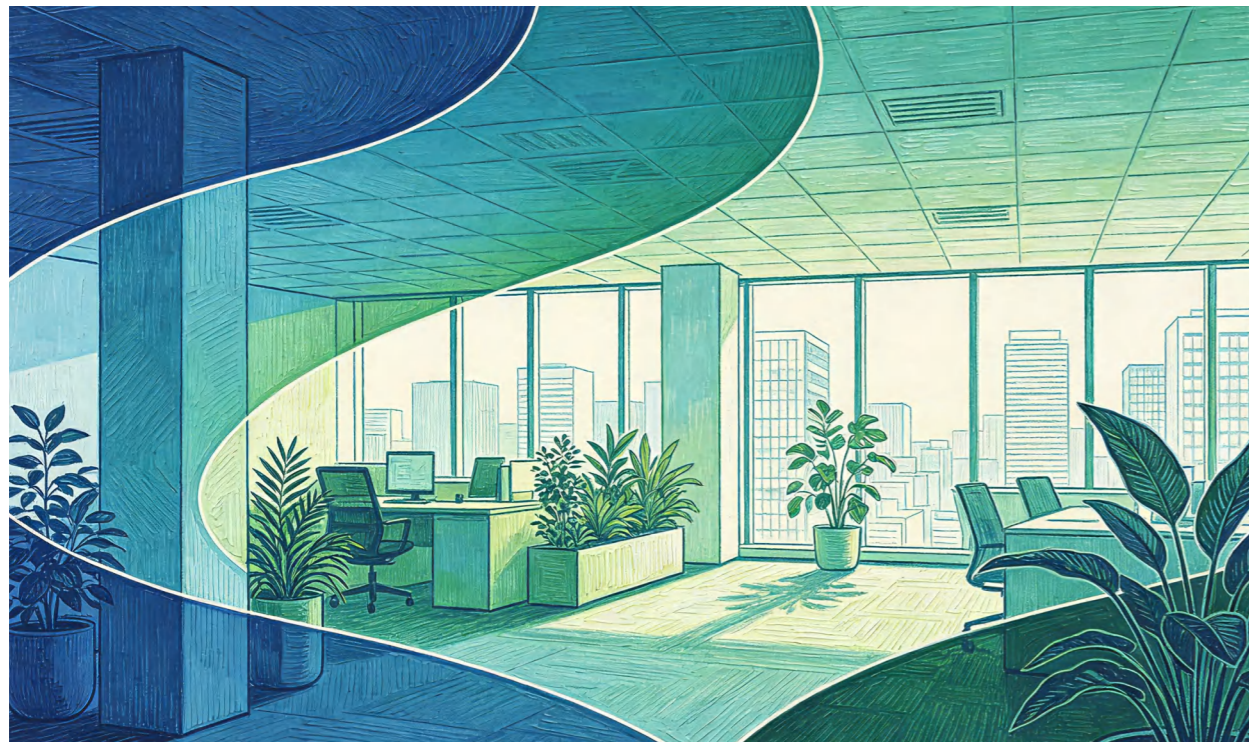
2.1 ESG Strategic Planning

In order to attain the goal of Beautiful, Responsible, Innovative, Credibility & Integrity and Kind SUPCON, the Company has developed an ESG strategic development plan and is continuously advancing ten key actions, ensuring that the ESG strategic goal is attained.

Top 10 Key Actions	Key Developments During the Reporting Period	Major Achievements in Construction During the Reporting Period
Active development of cleaner technologies	With an emphasis on clean technology development, SUPCON is empowering traditional industries through industrial AI technology, accelerating the creation of a resource-saving, environmentally friendly society, and boosting the AI-driven sustainable industrial development.	<ul style="list-style-type: none"> SUPCON's next-gen control system, UCS-Nyx, which reduces cabinet space requirements by 90% and cuts cable usage by 80%, significantly lowering the product's carbon footprint. SUPCON's time-series pre-trained transformer TPT 2.0 helps enterprises accomplish their goals of improving efficiency, stabilizing operation, and increasing revenues. According to calculations of the Methodology for Quantifying SUPCON Technology-Driven Social Emission Reductions 1.0, SUPCON's projects that commenced full-scale operations in 2019-2025 will help customers reduce emissions by 382 million tCO₂e over their lifecycle.
Enhancing climate change adaptation	Committed to enhancing climate change resilience, the Company is seeking to reduce carbon emissions in its own operations and continuously lowering operational GHG emissions through a series of energy-saving, carbon reduction, efficiency optimization, and green operation initiatives. While minimizing its own environmental impact, the Company continues strengthening operational resilience and climate risk response, laying a solid foundation for its green and low-carbon development.	<ul style="list-style-type: none"> During the reporting period, the Company obtained the ISO 50001 Energy Management System certification During the reporting period, the Company achieved a reduction of approximately 2746.62tCO₂e through various measures The Company achieved full rooftop PV coverage at production bases, generating approximately 3,272.78 MWh of solar power during the reporting period. The Company obtained the High-Efficiency Central Air-Conditioning Chiller Room Label from the China Electronics Energy Saving Technology Association During the reporting period, the Company's "Fun Carbon Reduction" accumulated actions resulting in over 76,000 reduction, totaling approximately 21.16tCO₂e
Enhancing Digital Intelligence Enablement	Embracing cutting-edge AI technologies and fully implementing the AI in AI strategy, the Company focuses on the development and application of HGT large models and related products. By integrating AI into digital transformation processes, it has built an AI-driven intelligent governance system to enhance its operational efficiency.	<ul style="list-style-type: none"> The Company has created Agent Builder, an open and compatible AI application platform featuring various Base Agents. The Company has launched multi-scenario AI Agents in the BA software sector. The Company fully promotes AI applications including Zhiwen 5.0, Meeting Agents, Sales Agents, Procurement Agents, and R&D Programming Assistants. The Company obtained the AAAA Competency Certification An AI management system covering the entire lifecycle of AI applications in digital transformation is introduced. Continuous improvement of the data security protection system, with 0 major data protection/customer privacy leakage incidents
Improving product and service quality	Celebrating a quality culture of "continuous improvement and pursuit of excellence," the Company strives to attain the goal of zero service gaps and zero product defects and deliver charming quality that helps customers succeed. To that end, it comprehensively advances the enhancement of quality management capabilities and the digitalization of total quality management.	<ul style="list-style-type: none"> A customer satisfaction score of 90.47 in 2025 by third-party (Gongkong) evaluations in 2025 The Company was selected as one of the first high-level quality management capability enterprises by the Ministry of Industry and Information Technology. The Company won third prize in the "2025 11th Enterprise Improvement Case Competition." The Company's industrial information security NG USB Guard passed the IEC 62443-4-2 certification. Included in the 2025 BRICS Industrial Cooperation Excellent Case Collection by the Ministry of Industry and Information Technology

II. Corporate ESG Governance

The Company aligns its ESG concept with its overall development strategies, continuously advancing overall improvement in environmental, social, and governance areas, and strives to be a benchmark and leader in sustainable development.



Top 10 Key Actions	Key Developments During the Reporting Period	Major Achievements in Construction During the Reporting Period
Stimulating Employee Creativity	The Company places employee rights protection and value growth at the core of its strategy, advocating for an employee philosophy of "being happy, fulfilled, valued, and respected." The Company's full-cycle support system covers rights protection, career growth, and health management, aiming to align employee value with corporate responsibility.	<ul style="list-style-type: none"> The Company was named "2025 Zhejiang Extraordinary Employer of the Year," "2026 Top Employer," and "Best Employer of the Year." During the reporting period, 100 training sessions were conducted, benefiting over 30,000 participants, with a satisfaction rate of 98.49%. The Company provides comprehensive welfare and benefits for all employees and their children. During the reporting period, the Company reported zero cases of occupational diseases (including radiation-related) and occupational contraindications, without any major production safety accidents.
Establishing a responsible supply chain	The Company fully integrates supply chain security into ESG strategy. With transparent and traceable governance mechanisms, it deepens mutual trust and cooperation with suppliers and treats small and medium-sized enterprises with equity, contributing to a more inclusive industrial ecosystem while continuously improving supply chain sustainability.	<ul style="list-style-type: none"> The Company has obtained the Green Supply Chain Management System certification. The Company has carried out performance evaluations for 283 suppliers. The Company performs continuous management of conflict-free minerals targeting at suppliers. Among the Company's suppliers, the signing rate of the "Integrity Agreement" is 100%. Payables (including promissory notes) during the reporting period do not exceed RMB 30 billion or 50% of total assets
Adherence to compliance and integrity	Maintaining an internal environment featuring transparency and integrity, the Company has established an anti-commercial bribery and anti-corruption governance system centered on the Integrity Committee. By strengthening compliance, the Company ensures long-term stable operations, earning respect from many.	<ul style="list-style-type: none"> With zero-tolerance for corruption and bribery, the Company delivers business ethics training with 100% coverage. Won the "Golden Trust and Disclosure Award" of "Golden Bull Award" for Listed Companies Top 50 Most Valuable Companies on the STAR Market, and Most Innovative STAR Market Listed Company 2025. Included in major indices such as the MSCI China Index, CSI A500 Index, SSE STAR 50 Index, CSI 500 Index, and SSE 380 Index The Company has received the highest rating (A-level) for three consecutive years from the Shanghai Stock Exchange for its disclosure work on the Sci-Tech Innovation Board
Promoting high-quality development of the industry	Implementing the Ecosystem Development Strategic Plan (2024--2026), and a new strategy of "Ecosystem-Driven Growth, Development, and Transformation," the Company seeks to build a new partnership model that guarantees collaborative, standardized, and highly efficient cooperation with ecosystem partners, aiming to pursue excellence and lead the innovative development of Industrial AI.	<ul style="list-style-type: none"> The Ecosystem Construction Strategic Plan (2024--2026) is implemented, establishing a coordinated, well-regulated, and efficient partnership framework with ecosystem partners. Company was included in the Fortune China Tech 50 and the "China Automation & Digitalization Brand Top 50," earned a "Leader" rating in the IDC Market Scape for China Industrial Large Model and Agent Solutions, and won honors including "2025 Most Innovative STAR Market Listed Company," "WISE 2025 King of Business: Breakthrough Enterprise in AI Application Scenarios," and "2024 Enterprise of the Year in China's Automation"
Actively fulfil social responsibilities	The Company actively fulfills social responsibilities, supports public welfare, and works with stakeholders to build a harmonious community ecosystem and a better society.	<ul style="list-style-type: none"> During the reporting period, the Company made external donations totaling 13 million Yuan, including signing a donation agreement with the Zhejiang University Education Foundation, donating products and equipment to institutions including the CCF Computer Museum, and the Science Outreach Base for Intelligent Instrumentation and Robotic Applications, fulfilling donation agreement with the Zhejiang Zhihang Education Foundation, and supporting public sports initiatives such as the "Zhe BA." The Company organized the "Books for Vegetable" event and the "Charity Station" circular market. For 22 consecutive years, the Company has organized the "Blood Donation for July 1st" event For 18 consecutive years, the Company has organized activities to care for and protect children with special needs 600+ employment opportunities for the whole community
Strengthening the construction of a sustainable development management system	With clear-cut responsibilities, a structured decision-making framework, and a transparent oversight process, the Company aligns ESG strategic objectives with its development, continuously advancing overall performance in environmental, social, and governance areas.	<ul style="list-style-type: none"> Wind ESG AA rating Won-honors and medals such as the Securities Star-ESG New Benchmark Enterprise Award, the ESG-Golden-Bull Top 100 Award by China-Securities Journal, 2025 ESG Outstanding Listed Company Award, the 2025 Net-Zero Future Outstanding Product Award, 2025 Top 100 ESG Performing Listed Companies in Zhejiang, and 2025 Zhejiang Social Responsibility Benchmark Enterprise.

2.2 ESG Governance Framework

By establishing an ESG Committee, the Company has built a three-tier governance system comprising the "decision-making, management, and execution levels," which spans the entire business chain and clearly defines the rights and responsibilities at each level. With dedicated departments and specialized personnel coordinating key ESG tasks, the Company has strengthened oversight and execution, ensuring that its ESG governance remains active, standardized, and efficient.

ESG Organizational Structure	Organizational membership	Main responsibilities	Main members
Decision-making level	Board of Directors	<ul style="list-style-type: none"> Responsible for making decisions on ESG strategy and major issues 	See section 5.1 for details of board composition and staff competencies
Management	ESG Committee	<ul style="list-style-type: none"> Responsible for ESG strategic planning and management system construction, integrating ESG into the whole process of the Company's operation. Responsible for stakeholder and ESG topics management Responsible for ESG performance assessment and risk management ESG reporting and disclosure, etc. 	The Committee is chaired by the Company's Chairman and President, with primary members consisting of the heads of various business departments and management personnel, all possessing extensive expertise and rich experience in fields such as human resource management, marketing management, financial management, economic management, legal affairs, environmental protection, sales management, and industrial automation technology.
Executives	Business Units	<ul style="list-style-type: none"> Responsible for the implementation and execution of the Company' ESG workgroups. Responsible for the ESG strategy and objectives, and the implementation of the objectives. Responsible for the specific management of ESG-related risks and opportunities, including: identification, analysis, assessment, tracking, etc. 	Consisting of personnel from the Company's relevant business units, with sufficient professional competence and experience in their respective areas

2.3 Information Disclosure Channels

The Company strictly adheres to the Company Law of the People's Republic of China, Measures for the Administration of Information Disclosure by Listed Companies, The Stock Listing Rules of the Sci-Tech Innovation Board of the Shanghai Stock Exchange, and other laws and regulations to establish a sound information disclosure system. The Company actively fulfills its information disclosure obligations, continuously improves its disclosure system, and enhances the quality of information disclosed, safeguarding the legitimate rights of all shareholders, especially minority shareholders. During the reporting period, the Company achieved zero errors, inquiries, or violations in its information disclosure work and received the highest rating (A-level) for three consecutive years from the Shanghai Stock Exchange for its disclosure work on the Sci-Tech Innovation Board.

Since the issuance of Global Depositary Receipts (GDRs) and listing on the Swiss Stock Exchange, the Company has established and continuously improved its overseas information disclosure system, following principles of authenticity, accuracy, completeness, timeliness, and fairness to provide high-quality public information to overseas capital markets, meeting the information transparency requirements of international investors, significantly reducing information asymmetry, and enhancing the Company's credibility and transparency in the global capital markets.

Annual Disclosure: Since its listing, the Company has consistently disclosed ESG reports for five consecutive years, providing information on its ESG practices to investors and other stakeholders for transparent communication and engagement. The electronic version is available for viewing and downloading on the official website of SUPCON Technology (ww.SUPCON.com) and the Shanghai Stock Exchange website (www.sse.com.cn). The English version of the ESG report is published through SUPCON Technology's official English website (global.SUPCON.com) and the disclosure channels of the Swiss Stock Exchange.

Routine Disclosure: The Company's official website features a dedicated ESG section, providing updates on ESG-related initiatives and the latest developments. Certain ESG information is also disclosed through the SUPCON Technology Investor Relations WeChat account.

III. Environmental Dimension Topics



Green and low-carbon development is the core essence of sustainability. Focusing on its dual-carbon strategic goals, the Company makes efforts across climate change adaptation, GHG emission control, environmental management, and pollutant governance. Supporting industrial green upgrades through Industrial AI technology, it continuously deepens its green transformation, contributing to a resource-saving and environment-friendly society.

3.1 Responding to Climate Change

The Company discloses climate-related information in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework, conducts risk and opportunity assessments related to climate change, and dynamically evaluates the Company's climate resilience.

Governance:

Relying on the ESG governance framework, the Company continuously refines its organizational support for climate change, integrating dual-carbon initiatives into its key development agenda. The Board of Directors annually reviews the implementation of the dual-carbon strategy and greenhouse gas (GHG) emissions data disclosed in the Company's ESG report, along with the implementation of various energy-saving and emission reduction measures, fully playing a part in top-level decision-making.

“ The Company has established a dual-carbon leading group, which is led by senior management and comprises the heads of relevant business departments as the members. With a mechanism requiring specialized personnel to take responsibility and dedicated teams to execute, the team makes general plans for annual targets of energy conservation and emission reduction and ensures fulfillment. Leveraging its internal technical expertise, the Company has formed a GHG inventory working group composed of professional technicians. The group conducts comprehensive GHG accounting across the entire business chain, providing the technical support necessary to address climate change. ”

Strategy:

As an industry AI platform company, SUPCON persistently helps its customers achieve maximum green development. The Company strictly complies with climate change-related laws, regulations, and supervisory provisions across its operating regions while proactively exploring digital and intelligent solutions for emission reduction in process industries. This approach aims to enhance climate adaptability and capabilities to cope with climate change across the industry value chain. By fully identifying and analyzing climate change-related risks and opportunities, the Company formulates targeted response strategies to mitigate risks and seize emerging opportunities in green development, striving to be a leader in low-carbon transformation within the industry.

Transition Strategies Responding to Climate Change:

Top-level system: The Company's dual carbon strategy of peak carbon dioxide emissions and carbon neutrality is built on an approach prioritizing energy efficiency improvements, followed by energy structure adjustments, with carbon removal and offsets as supplementary measures; and the carbon neutrality blueprint of “Three Scopes, Four Pillars, and Five Domains” has been formulated to continuously guide these efforts.

Climate Risk Mitigation: The Company aggressively advances green manufacturing and office practices, lowering energy consumption in operations while setting a new trend of green and low-carbon living

Cleantech Opportunities: With an emphasis on next-generation information technologies like industry AI, the Company persistently strengthens the research and development of clean technology products and services working alongside stakeholders to collectively enhance its resilience to climate change.

Climate Change Risk Analysis:

Types of Risks	Climate-Related Risks	Risk Description & Impact Timeline	Likelihood	Severity	Financial Implications	Mitigation Measures
Transition Risks	Policy And Regulatory Risks	Enterprises subject to government-mandated greenhouse gas (GHG) regulations (medium to long term); Stricter mandatory carbon emissions requirements and regulatory oversight for products and services (medium to long term)	Low	Medium	Potential increase in operational and compliance management costs	<ul style="list-style-type: none"> Continuously monitor regulatory policies and promptly respond to the latest requirements in operational regions; Ensure compliance disclosure of Climate Change Mitigation & Adaptation-related topics through ESG reports and other communication channels
	Technological Risks	Displacement by technologies with lower climate impact (long term)	Medium	Medium	Potential impact on product and service sales	<ul style="list-style-type: none"> Strengthen R&D management systems, advance data governance transformation, and develop cutting-edge product platforms to enhance innovation capabilities and drive the development of low-carbon products and solutions
	Market Risks	Shifts in consumer preferences (medium to long term); Energy price volatility (medium term)	Medium	High	Potential impact on product and service sales; possible increase in operational costs	<ul style="list-style-type: none"> Persist in technological innovation to continuously enhance the green and low-carbon attributes of products; Establish a dynamic tracking mechanism to monitor energy price fluctuations in real-time and actively explore carbon trading and carbon asset management opportunities
	Reputational Risks	Non-compliance or poor performance in climate risk management (long term)	Low	Low	Potential impact on sales and financing	<ul style="list-style-type: none"> Regularly disclose risk management performance through ESG reports; collaborate with partners to build a green and sustainable brand ecosystem and maintain strong brand reputation
Physical Risks	Short-Term Risks	Increased frequency of extreme weather events such as heavy rain, typhoons, and heatwaves (short term)	Medium	High	Potential disruptions to supply chain stability, threats to employee health, production halts, and increased operational costs	<ul style="list-style-type: none"> Develop business continuity plans to address environmental risks and strengthen emergency response capabilities
	Long-Term Risks	Global average temperature rise (long term)	High	Medium	Potential asset write-offs and early retirements	<ul style="list-style-type: none"> Build a digital carbon-energy management platform, enhance renewable energy usage, and formulate low-carbon development strategies aligned with global warming mitigation targets; Work with customers, suppliers, and partners to drive low-carbon transformation across process industries

Climate Change Opportunity Analysis:

Type of Opportunities	Opportunity Description & Impact Timeline	Likelihood	Risk Severity	Financial Implications	Mitigation Measures
Resource Efficiency	Enhance resource efficiency through material recycling and improved equipment operation (short to medium term)	High	Medium	Potential reduction in direct and operational costs	<ul style="list-style-type: none"> Continuously develop comprehensive resource utilization initiatives, adopt recyclable packaging materials, and improve packaging material recovery rates
Energy Sources	Restructure energy consumption and utilize low-emission energy sources (short to medium term)	High	Medium	Potential mitigation of risks associated with rising fossil fuel prices	<ul style="list-style-type: none"> Actively adjust energy structure to increase the proportion of renewable energy consumption
Products & Services	R&D and innovation in climate-adaptive products and services (medium to long term)	High	High	Competitive advantage in meeting consumer demand for green products, leading to increased sales	<ul style="list-style-type: none"> Focus on clean technology innovation to enhance product environmental performance; develop energy-saving, carbon-reduction solutions, carbon footprint management systems, and other low-carbon products
Market	Strong performance in climate change mitigation leading to improved corporate reputation and brand image (long term)	High	High	Potential increase in sales and access to more financing opportunities	<ul style="list-style-type: none"> Promote climate change initiatives through ESG reports, WeChat official account, official websites, social media platforms, and media channels to disclose the Company's achievements in addressing climate change and enhance brand image
Resilience	Invest in renewable energy projects to strengthen climate risk resilience (medium to long term)	High	High	Potential increase in market valuation	<ul style="list-style-type: none"> The Company explores opportunities in green environmental protection and new energy sectors, to continuously drive breakthroughs in the green industry Prioritize new energy and clean technology fields, and develop a responsible investment system to improve resilience to climate change risks

Impact, Risk, and Opportunity Management:

Risk Identification: Based on the comprehensive annual carbon emissions inventory, risks and opportunities related to climate change are comprehensively identified through carbon emissions data analysis, predictive modeling, industry benchmarking, brainstorming sessions, expert consultations, and alignment with domestic and international standards, forming a risk inventory.

Risk Assessment: A scenario analysis approach³ that integrates both quantitative and qualitative methods to develop risk assessment indicators, rank risks based on likelihood and severity, and conducts a thorough evaluation of risk significance.

³The assessment references the climate scenarios outlined in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), selecting three scenarios: temperature rise limited to within 1.5°C (IPCC SSP1-1.9), temperature rise limited to within 2°C (IPCC SSP1-2.6), and an unrestricted emissions scenario (IPCC SSP5-8.5).

Risk Response: Under the guidance of the ESG Committee, targeted response measures are implemented for various climate-related risks. These measures include, but are not limited to, optimizing organizational structures, strengthening regulatory frameworks, implementing energy conservation and emission reduction initiatives, increasing the use of renewable energy, and driving continuous innovation in low-carbon product development.

Risk Monitoring and Tracking: Climate-related risk monitoring is conducted through ESG Committee decision-making, analysis of GHG emissions inventory results, and reviews of domestic and international policies. These efforts ensure the effective management and mitigation of climate-related risks.

Metrics & Targets:

Category	Key Metrics	Fiscal Year Progress
Peak Carbon Dioxide Emissions & Carbon Neutrality	Strive for carbon neutrality in operations by 2035	The Company's total GHG emissions (Scope 1+2) for the reporting period was 13804.86tCO ₂ e.
		The Company achieved approximately 2746.62tCO ₂ e reduction via remote work, digital management platforms, equipment efficiency improvements, and rooftop photovoltaic systems during the reporting period
		Conducted climate risk and opportunity scenario analysis based on IPCC AR6 climate scenarios to thoroughly identify, assess, and respond to climate risks

3.2 GHG Emissions Management

3.2.1 Greenhouse Gas Emissions Inventory

Framework

A GHG Inventory Task Force has also been formed, mainly comprising professionals with specialized technical capabilities, and it is responsible for conducting comprehensive GHG emissions assessments across all business operations, including data and materials collection, calculation, reporting, and disclosing.

Methodology Basis

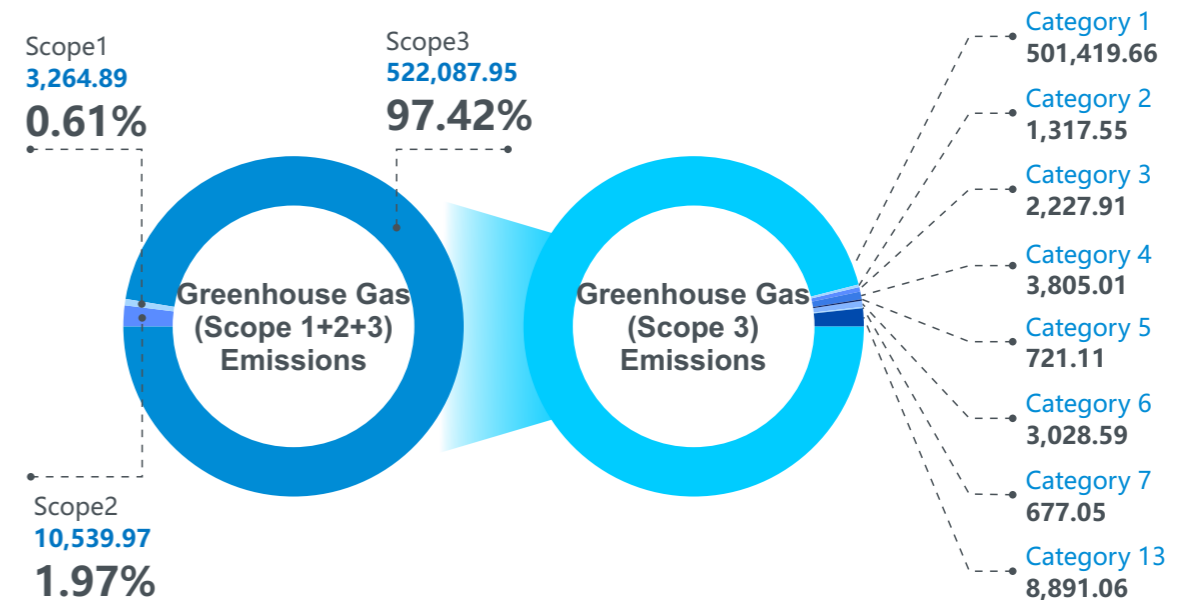
This assessment is conducted in accordance with ISO 14064-1:2018 Greenhouse gases Part 1: Specifications and Guidelines for the Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level, the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope of Organization

The segmentation was carried out using the operational control method, which identifies it as SUPCON Technology and its subordinate holding subsidiaries, and is consistent with the scope of disclosure in the Company's annual report for the year.

Inventory Boundary

The greenhouse gas emissions and removal activities associated with the above organizational operations are categorized into direct emissions, energy indirect emissions, and other indirect emissions. Aligned with the category standards defined by the GHG Protocol methodology, this assessment encompasses Scope 1 (direct GHG emissions), Scope 2 (indirect GHG emissions from purchased electricity or other energy sources) and Scope 3 (eight categories of other indirect greenhouse gas emissions).



3.2.2 Peak Carbon Dioxide Emissions and Carbon Neutrality Strategies

As a leading industrial AI platform, SUPCON aligns closely with macro policy trends and takes the lead in the exploration for new paradigms in intelligent, green, and integrated development. The Company adopts the vision of “to be a practitioner and promoter of smart zero-carbon.” By assessing its own carbon footprint, analyzing trends, mapping out a blueprint, designing a clear path and specifying actions, the Company has established its dual-carbon strategic positioning and defined short, medium, and long-term goals. Furthermore, the “Three Spheres, Four Pillars, and Five Fields” carbon-neutral blueprint has been pushed forward, providing holistic guidance to ensure stable implementation and in-depth advancement of the Company’s climate actions.

Three links (3 key links): The Company’s own operation links (Scope 1+2), value chain integration (Scope 3), and social carbon contribution (Scope 3+).

Four pillars (4 pillars): Institutional development, talent cultivation, digital-intelligent management, and carbon sinks & offset mechanisms.

Five fields (initiatives in 5 fields): Green digital operations, low-carbon product design, engagement of all staff, sustainable ecosystem partnerships, and social responsibility in carbon reduction.

Short-term goals

To achieve operational carbon neutrality by 2035, the Company balances business growth with climate responsibility by prioritizing carbon efficiency while expanding its operations. Centering on carbon efficiency improvement, it promotes production process decarbonizing, efficiency improvement for energy-consuming equipment, and the shift towards cleaner energy mix to ensure a year-on-year decline in carbon intensity, with the ultimate goal of reaching domestic industry-leading energy efficiency.

Mid- to long-term goals

To actively align with the 1.5°C global warming limit, the Company adopts scientific and responsible approaches, collaborates with upstream and downstream partners and customers to reduce carbon emissions. By 2035, it aims to achieve continuous decline in total carbon emissions by 2035, with a nose dive of over 30% in Scope 3 carbon intensity compared to 2021 (base year).

3.2.3 Contribution to Emission Reduction in Operations

Focusing on the positioning and goal of “becoming an intelligent zero carbon advocate,” the Company has established a low-carbon management system that encompasses the entire process of its production and business activities. During the reporting period, the Company directly or indirectly reduced GHG emissions by 2746.62t Co₂e.

1 Green Office

Upholding sustainability, the Company integrates green office into its operation management and systematically builds a low-carbon, circular, and intelligent operation ecosystem through forward-looking strategies, digital tools, and engagement of all employees. In 2025, the Company directly or indirectly decreased GHG emissions by 312.52t Co₂e across operational and office-based activities.

Key Initiatives and Achievements:



Systematized energy management. During the reporting period, the Company obtained ISO 50001 Energy Management System certification, which has systematized and standardized its energy oversight. The Company built an all-domain digital energy management platform, which performs real-time monitoring and intelligent optimization for water, electricity, and gas, forming the closed-loop management of “monitoring-optimization-certification.”



Continuously strengthening energy management Throughout the year, the Company strictly keeps air conditioning no lower than 26°C in summer and no higher than 20°C in winter. With energy-saving fixtures and intelligent lighting systems that ensure lights are off when spaces are unoccupied, the Company has seen an 18% year-on-year reduction in lighting energy consumption.



Equipment upgrades are accelerated The Company has added new variable frequency units for overtime air conditioning and completed chiller energy-saving retrofits and comprehensive HVAC system upgrades, improving the efficiency of critical energy-consuming assets.



Driving full-chain carbon reduction. The Company promotes paperless operations and encourages video conferencing to minimize employee business travel. During the reporting period, the Company cut office paper consumption by 25% and employee travel by more than 25,000 kilometers.



Digital carbon-inclusive initiative inspires employee engagement. The “Fun Carbon Reduction” helps quantify low-carbon behaviors across key scenarios such as commuting, printing, and meetings. During the reporting period, the whole workforce completed nearly 76,000 emission-reduction actions, cutting Co₂e emission by 21.16t.



Cultivating the green culture and forming the low-carbon consensus Through initiatives like circular markets, upcycling, and low-carbon challenges that integrate sustainability into daily life, the Company has fostered a green corporate culture characterized by identity and participation, facilitating the transition from institutional compliance to conscious action. During the reporting period, the waste recycling rate was increased by 30%.

2 Green production

Focusing on key links such as energy mix optimization, digital energy management, process optimization, and high-efficiency energy-saving equipment rooms, the Company seeks to build a production system that is safe, clean, efficient and low-carbon. During the reporting period, SUPCON comprehensively advanced its green manufacturing system at the Fuyang Intelligent Manufacturing Base, achieving annual emission reduction by 2459.97tCO₂e.



Energy mix optimization: The Fuyang Intelligent Manufacturing Base achieved 100% rooftop solar coverage and increased the proportion of clean energy by installing photovoltaic (PV) systems on factory roofs under a “self-consumption with surplus fed into the grid” model, realizing an emission reduction of 1736.54t CO₂e in 2025.



Digital energy management: The Company achieves digitalized centralized control and energy efficiency optimization by integrating 9 major systems including monitoring, HVAC, access control, fire safety, and energy management. During the reporting period, the platform reduced electric energy consumption by 1.05 million kWh and Co₂e₂ emission by 583 tons, including a 12% energy saving in intelligent lighting, 18% in chiller systems, and 15% in thermal HVAC systems.



Process optimization: Through coating process optimization, the Company achieved a CO₂e reduction of approximately 45.03t. The server rack lighting optimizations contributed to a further reduction of about 61.97t CO₂e. Improve production efficiency and reduce energy consumption through PCB design optimization, one-piece flow, and aging process optimization etc. By automating climate control in production areas, energy losses in the corresponding process have been minimized. The manufacturing process has been refined to eliminate lead, reducing environmental impact and minimizing health hazards. A UV curing furnace has been integrated into the solidification stage, utilizing UV corrosion-resistant coatings to prevent VOC emissions.



Production equipment upgrades: Outdated, high-energy-consuming equipment (oven and laser welder lean improvements) has been obsolete and air-conditioning circulating water pipes replaced with aluminum to improve insulation, accomplishing an annual reduction of approximately 33.43tCO₂e.



Authoritative certification for central air conditioning high-efficiency chiller room: During the reporting period, the upgrade of major energy-consuming equipment was accelerated. The annual coefficient of performance (COP) of the chiller room reached 5.71, passing the evaluation of China Electronics Energy Saving Technology Association and obtained the High-Efficiency Central Air-Conditioning Chiller Room Label.



3.2.4 Contribution to Social Emission Reduction

As an “impeller of intelligent zero-carbon initiative,” the Company creates customer value while supporting a low-carbon social transition. Leveraging industrial AI for energy efficiency, the Company continuously develops and delivers solutions across the process, equipment, unit, and factory levels, enabling the process industry to foster new quality productive forces and achieve a green, low-carbon transformation.

Contribution to social emission reduction is also SUPCON's Scope 3+emission reduction. Besides decarbonizing its own value chain (Scopes 1, 2, and 3), the Company also supports customers and communities in emission reduction with its green and low-carbon technologies, realizing widespread effects. To this end, the Company has released the Methodology for Quantifying SUPCON Technology-Driven Social Emission Reductions 1.0 (available on the SUPCON official website - ESG section). The methodology incorporates full-life-cycle carbon emissions into its accounting scope and introduces more rigorous emission reduction scenarios for comparison. By employing uncertainty analysis of calculation results to drive continuous data quality improvement, it provides a scientific methodological basis for quantifying social emission reduction indicators. Moreover, it effectively assesses the positive climate impacts of product and service application scenarios, continuously steering the R&D and promotion of the Company's clean technologies. According to the calculation of SUPCON's cumulative social emission reduction contribution, its projects that commenced full-scale operations in 2019-2025 helped customers avoid 382 million tCO₂e emissions over their lifecycle.

Case 1: An Autonomous Operating Plant Project

A complete production closed-loop of “perception-cognition-decision-execution” has been constructed through the deep integration between the time-series pre-trained transformer large model TPT and the universal control system (UCS), As the “execution backbone” of the AOP, the UCS replaces dozens of traditional DCS cabinets with a single integrated unit. It manages over 15,000 control points across the entire upstream and downstream process, increases monitoring points per person from 500 to 2,000, boosts onsite efficiency by 67% and improves overall corporate profitability by 1%-3%. Meanwhile, with an all-optical network architecture, it reduces cabling costs by 80% and cabinet space by 90%, and shortens project construction cycles by 50%, saving cabling and construction costs by over RMB 40 million and cutting overall construction expenses by 60%. As the most powerful “intelligent brain,” the TPT employs multi-modal data analysis, trend prediction, and optimization calculations to stabilize the concentration of the primary caustic soda product within the 32%–32.1% range. In so doing, it optimizes raw material consumption

and reduces the product's carbon footprint while performing synchronized closed-loop optimization for co-products, 48% alkali concentration, and lean brine pH levels, realizing early warning of equipment anomalies and an accuracy rate of over 95% in the intelligent diagnosis of control valves.

Case 2: A multi-energy complementary dispatch optimization for a large-scale coal-fired combined heat and power system integrated with renewables

Based on the time-series pre-trained transformer large model TPT, the company developed an integrated energy management platform. By combining a data-driven approach with physics-based models, this platform integrates coal-fired combined heat and power units, renewable energy generation, energy storage systems, and downstream coal chemical processes, balancing the demand for thermal and electrical loads in complex and fluctuating working conditions within chemical industrial zones. By fully streamlining all stages of source-grid-load-storage, it has established an integrated energy management and control system incorporating perception, prediction, and regulation. After put into operation, the project promotes the deep integration of renewable and traditional energy, optimizing energy production and utilization processes. By increasing the share and consumption of renewable energy and improving system efficiency, it is projected to provide 496.902 million kWh of green electricity annually, replace 151,700 tons of standard coal and reduce carbon emissions by 419,400 tons per year, helping captive power plants achieve an 87.5% renewable replacement rate while significantly enhancing energy utilization efficiency and emission reduction benefits.

Case 3: Energy-saving optimization and control for a refrigeration station

By developing a multi-objective AI optimization algorithm model, the project prioritizes high-efficiency chiller units and dynamically adjusts the start/stop status and frequency of external circulation pumps for precision cooling. Leveraging an internal/external circulation balance model, it stably manages load fluctuations, automatically identifies anomalies such as low-efficiency operation or frequent cycling, and generates control recommendations, upgrading operations and maintenance from “passive response” to “proactive regulation.” A refrigeration station covered by the project has achieved an energy-saving rate of 6.52%. The energy-saving rates of the two circulating water systems located in the south and north areas are 12.66% and 5.99%, respectively. Ultimately, the comprehensive energy-saving rate is 7.17% and estimated to help the customer reduce carbon dioxide emissions by approximately 326 tons per year.

3.3 Environmental Management and Pollutant Emissions

3.3.1 Environmental Compliance Management

The Company strictly adheres to the Environmental Protection Law of the People's Republic of China and other relevant regulations in its operating regions. A structured approach is adopted to periodically identify legal and regulatory requirements, ensuring full compliance throughout the production and operational lifecycle. These requirements are then systematically integrated into the Company's internal policies. The Company has established a systematic environmental compliance management system with a three-tier structure consisting of “management manual – procedure documents – work instructions.” The system encompasses all stages of manufacturing and operational management, ensuring that environmental management is standardized, institutionalized, and normalized while driving continuous improvement in environmental performance. Furthermore, environmental performance indicators are embedded in the performance assessment of all employees and linked to the remuneration of department heads.

Organizational Structure: The Administration, Logistics, and Emergency Management Department oversees occupational health, environmental protection, and workplace safety at the corporate level. This department also plays a key role in managing environmental and safety-related emergency incidents.

Policies and Regulations: System documents including Quality/Environmental/Occupational Health and Safety Management Manual, Environmental Factor Identification and Evaluation Procedures, Waste Management System, Energy Management System EHS Targets and Indicators Management Program, Special Emergency Response Plan for Environmental Accidents have internalized laws and regulations as the Company's management standards, providing institutional assurance for environmental compliance.

Major Initiatives:

- The Company has passed the certification of ISO 14001 Environmental Management System and established a dedicated department in charge of environment, health, and safety (EHS) management.



- Environmental aspect identification and risk control. The Company implements strict and detailed life-cycle management of environmental risks. Via regular identification and evaluation of environmental aspects across all business processes, it performs targeted controls for significant environmental aspects, with clear-cut responsibilities among departments and specialized management. Through supervision and performance assessments, it enhances the implementation of various measures and has established a dynamic hazard identification and rectification mechanism.
- The prevention mechanism is consistently strengthened. The Company strives to minimize potential environmental impacts throughout its operations and systematically control environmental compliance risks. Moreover, the Company has enhanced the full-cycle maintenance management of production and environmental facilities to ensure consistent and compliant operation.
- Emergency preparedness and capacity building. The Company has improved its three-level emergency response plan system and organized practical drills to enhance emergency handling capabilities. Regular field-based emergency drills are conducted to test the feasibility of these plans, ensuring rapid response and effective control in the event of an emergency. During the year, four environmental and safety training sessions were organized, with 100% employee coverage.

3.3.2 Waste Management and Pollutant Emissions

Upholding the concept of green development, the Company is committed to reducing the environmental impact of pollutants including wastewater, exhaust gas, solid waste, and hazardous waste while ensuring compliant discharge and disposal to fully fulfill corporate environmental responsibilities. During the reporting period, the Company achieved 100% standardized treatment and compliant discharge for all types of pollutants.

Policies and Regulations: Waste Management Policy, Waste Management Procedures, Hazardous Waste Management Policy, Hazardous Waste Storage Management Policy.

Major Initiatives:

Wastewater Management.

- We implement optimized stormwater and sewage separation, as well as clean and contaminated water segregation, to enable compliant and reasonable treatment of industrial and domestic wastewater. The Company ensures that industrial wastewater undergoes treatment via integrated wastewater treatment facilities to achieve recycling. Surplus water is discharged to the sewer system after treatment. Domestic wastewater is collected through sewage pipelines and processed sequentially via grease traps (for canteens) and septic tanks before being discharged to the municipal sewage pipe network in compliance with the Level III Discharge Limits in the Comprehensive Wastewater Discharge Standard GB8978-1996.

Exhaust treatment

- The Company employs advanced adsorption concentration + catalytic oxidation technology or photocatalysis + activated carbon adsorption processes to treat industrial exhaust gases containing non-methane hydrocarbons (NMHCs), tin and its compounds, and particulate matter. The purified emissions are discharged in compliance with the Integrated emission standard of air pollutants (GB16297-1996). We equip our canteens with professional oil fume purification systems, ensuring that post-treatment emissions meet the Emission Standard of Cooking Fume in the Catering Industry (GB18483-2001).

Solid Waste Management

- The Company has established a Waste Management Policy to meticulously classify waste generated during production and operations. A Waste Classification Table is maintained to guide precise treatment measures for different waste types. The Company implements segregated waste collection, with household waste regularly disposed of by municipal sanitation authorities. General industrial solid waste is handed over to recycling companies for reuse. Hazardous waste, including spent activated carbon, and used packaging drums, is entrusted to certified third-party disposal agencies.

3.3.3 Water Resource Utilization & Circular Economy

The Company is continuously advancing the development of water resource and circular economy management systems, fully integrating resource efficiency and recycling concepts into its operations. During the reporting period, water consumption intensity at the Company's production base decreased by 22% year-on-year. The waste sorting and recovery system covered all functional areas, with the recovery rate of construction waste increasing by 35%. The proportion of renewable resources in total consumption surpassed 40%.



Water Utilization

- The Company has completed water-saving retrofits for production and office equipment and fully deployed water-efficient fixtures. Such measures as the installation of energy-saving sensor faucets and the optimization of cooling system operations have effectively reduced water consumption.
- The Company has established a tiered water metering network to achieve precise monitoring of domestic and production water usage and direct municipal pressure supply, cutting consumption at the source.
- The Company uses high-efficiency equipment including infrared sensor faucets and flow-limiting toilets, eliminating uncontrolled continuous water flow.
- The Company adopts sealed valves, new piping materials, and advanced joint technologies, curtailing the leakage rate of the pipeline network.
- The coordination of rainwater harvesting systems, permeable pavements, and intelligent overflow alarm devices remarkably increases the utilization rate of non-traditional water sources. Equipped with a rainwater recovery and reuse system, the SUPCON Industrial Park has attained a water-saving rate of 15%.



Circular use of resources

- ⊕ We have transitioned from wooden to reusable corrugated packaging materials, reducing the custom packaging rate from 19.06% to 1.81%. This initiative cuts annual wooden packaging consumption by approximately 450,000 to 600,000 kg, leading to an estimated cost reduction of RMB4 million per year.
- ⊕ We have built a three-dimensional warehouse and replaced disposable cardboard turnover boxes with reusable transit containers, reducing annual cardboard box usage by approximately 12,000 units.
- ⊕ The Company has established a waste recovery system, collaborating with professional agencies to realize the resource utilization of recyclables such as metals and waste paper.
- ⊕ The Fuyang Production Base was constructed entirely with green and energy-saving materials, with optimized material-saving designs. Its local procurement rate of building materials is 85%, and its application rate of energy-saving materials is more than 80%, remarkably reducing resource consumption and the overall carbon footprint.

3.3.4 Energy Utilization

The Company has developed a systematic energy management system to comprehensively improve energy efficiency and facilitate the green transformation of operations. During the reporting period, the Company obtained ISO 50001 Energy Management System certification.



Organizational Structure: The Company has established a three-tier energy management organizational system and formed an energy management team and a leadership group for energy conservation. They are directly overseen by senior management. Moreover, an energy administrator is appointed in every department, creating a comprehensive management and execution network. Relying on the industrial park energy planning network, the Company appoints a dedicated energy-saving administrator in each major energy-consuming unit and clarifies management responsibilities across all sectors. Implementing mechanisms such as regular energy management meetings, energy-saving inspections, and energy efficiency performance evaluations, the Company has formed a grid-based management framework that “extends horizontally to all edges and vertically to the grassroots,” providing a solid organizational support for refined energy management.

The Company has developed a system for defining annual, quarterly, and monthly goals and set quantitative indicators. By integrating energy-saving indicators into departmental KPIs, the Company ensures the effective implementation of its dual carbon strategy through target-driven execution and process control.

Policies and Regulations: Energy Management Policy, Energy Consumption and Metering Procedures, etc. The Company’s system spans the entire process of energy planning, metering and statistics, assessments and incentives, and technical retrofit approvals, clearly defining the responsibilities and operational standards for all departments.

Major Initiatives:

The Company continuously improves its energy management mechanisms and actively promoting water and electricity conservation measures by giving priority to energy-efficient equipment and technologies.

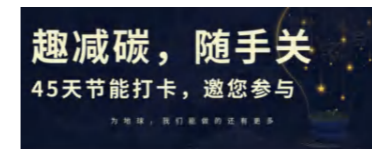
The Company maintains a baseline energy consumption database to implement tiered and categorized quota management and conducts regular compliance reviews and effectiveness evaluations. Through the rigid constraints and dynamic optimization of regulations, the Company has transitioned its energy management from experience-driven to system-driven, providing long-term institutional support for energy conservation and carbon reduction efforts.

The company comprehensively advances the optimization and adjustment of its energy structure, with the Fuyang production base achieving full rooftop photovoltaic coverage.

The Company has replaced traditional heating process with natural gas boilers, significantly decreasing municipal electricity consumption.

Leveraging coordination of multiple technical measures including zone-based mobile control for intelligent lighting and optimized auto-control logic for HVAC and boilers, the Company promotes comprehensive improvements ranging from equipment and system efficiency to management-level energy conservation.

Through regular energy-saving inspections and awareness campaigns, the Company encourages full-staff engagement in energy conservation practices. By promoting the use of new energy and energy-saving technologies, it has gradually established an energy efficiency enhancement mechanism featuring full staff engagement and full-process control.



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Indicators	Main Content	Goal attainment during the reporting period
Energy mix optimization	In 2025, the generation target of photovoltaic (PV) projects was 2.1 million kWh, continuously increasing the proportion of clean energy.	During the reporting period, the Phase II PV projects achieved an actual power generation of 2.3136 million kWh, with clean energy consumption surpassing 30% of the total energy used in the manufacturing process.

3.3.5 Clean Energy

The Company vigorously promotes the application of clean energy. Making full use of the rooftop resources at the Fuyang Industrial Park, the Company invested in and completed a 1.975 MW distributed photovoltaic (PV) power generation project in 2024. Since its successful grid connection, the project has yielded 3.6 million kWh of electricity to date, with its photovoltaic power generation reaching 2.31 million kWh in 2025.

IV. Social Responsibility Topics

The Company integrates social responsibility into all stages of its operations and sticks to a people-oriented philosophy that advocates a workplace where employees are happy, fulfilled, valued, and respected. Collaborating with suppliers to solidify the baseline of product quality, the Company is committed to building the responsible value chain. Driven by innovation and guided by “Tech for Social Good,” the Company seeks to accelerate the development of Industrial AI. Balancing business development and social welfare, the Company contributes to a social ecosystem integrating resilience, inclusivity, and creativity.



4.1 Employees

The Company positions employee rights protection and value growth at the heart of its corporate strategy and strives to build a people-oriented and diverse organizational ecosystem. The Company’s full-cycle support system covers rights protection, career growth, and health management, aiming to ensure every employee finds fulfillment at a workplace providing safety, respect, and opportunities.

Governance:

The Human Resources Management Department is responsible for strategic planning, review, and execution of HR initiatives, as well as identifying and assessing risks and opportunities related to employees.

Strategy:

Backed by a comprehensive organizational structure and well-defined regulatory framework, we have implemented various policies to manage and mitigate employee-related risks, including: Labor and Employee Management System, Company Incentive Management Measures, Recruitment Management System, Salary Management System, Measures for Handling Employee’s Discipline Violation, Employee Handbook, Agreement on the Protection of Rights and Interests of Women Workers Agreement on the Protection of Rights and Interests, Production Safety Responsibility System, Emergency Response Plan for Production Safety Accidents, Quality, Environment, Occupational Health and Safety Management Handbook and so on.

Analysis of Employee-Related Risks:

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Human Resources Risks	The Company may face risks related to the loss of key personnel and the recruitment of candidates who do not meet job requirements due to external market conditions and internal corporate control mechanisms. Factors such as human resources policies, career development opportunities, and talent pipeline mechanisms may contribute to the resignation of key personnel over the short, medium, and long term.	Medium	High	Potential increase in operational costs	<ul style="list-style-type: none"> ● Implement technology and knowledge management systems to reduce reliance on individual key personnel. ● Establish a robust talent pipeline through training and development programs to mitigate the impact of key talent attrition. ● Develop and implement effective HR policies to attract, retain, and develop key talent. ● Regularly assess and adapt to external environmental changes to minimize key talent turnover and career development barriers. ● Background checks are strengthened for key positions.
Labor Rights Risks	The Company’s production and operational processes may expose it to human rights-related risks. These risks include: forced labor, sexual harassment, discrimination, workplace bullying, child labor and many others. These risks may lead to litigation exposure and significantly impact the Company’s brand reputation over the short, medium, and long term.	Low	Medium	Potential increase in operational costs	<ul style="list-style-type: none"> ● Establish comprehensive corporate policies to ensure compliant and ethical employment practices. ● Strictly adhere to national labor laws and regulations as well as International Labor Organization (ILO) standards, regularly identifying labor management risks and opportunities and formulating response measures. ● Foster a diverse, equitable, and inclusive corporate culture that respects every employee.

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Occupational Health and Safety Risks	<p>The Company's production and operational activities may pose potential safety and environmental hazards or health risks to employees over the short, medium, and long term. Examples include: For Example:</p> <ul style="list-style-type: none"> Malfunctioning or improper operation of specialized equipment Safety incidents caused by inadequate chemical management Insufficient management of occupational health hazards Natural disaster emergencies 	Medium	High	Potential increase in operational costs	<ul style="list-style-type: none"> Develop emergency response plans, standardizing on-site safety procedures, and implement routine inspections. Establish a dedicated safety management department and adopt occupational health, safety, and environmental management systems. Provide personal protective equipment (PPE), conduct regular assessments of occupational hazard factors, and organize occupational health examinations and safety training programs.

4.1.1 Compliance with Labor Standards

Strictly observing national labor laws and regulations as well as international labor standards, the Company has established a comprehensive labor rights protection mechanism, prohibiting child labor, forced labor, any form of workplace discrimination, sexual harassment, or bullying, in a full effort to foster an equitable, respectful, inclusive, and friendly workplace. Meanwhile, the Company strictly implements regulations on the protection of female employees and effectively safeguards their legitimate rights and interests. During the reporting period, the Company recorded no violations of employment policies (labor rights protection policies and child labor or forced labor prevention measures).

Business Locations	Compliance with Local Regulations
Within China	Labor Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Trade Union Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases
Middle East	Saudi Labor Law, New Amendments to the Saudi Labor Law, Guide for Foreign Workers to Work in Saudi Arabia, etc.
Singapore	Employment Act, Immigration Act, Foreign Manpower Employment Act, Occupational Safety and Health Act, etc.
Netherlands	Dutch Labor Code, Working Time Act, Employment and Social Security Act, etc.

Impact, Risk, and Opportunity Management:

Risk Identification: Strictly comply with the requirements of the Labor Law, Labor Contract Law, and related regulations, as well as applicable labor laws in overseas regions and the International Labor Organization's relevant standards. Utilize expert consultations, industry benchmarking, brainstorming sessions, and other methodologies to comprehensively identify employee-related risks and opportunities, thereby compiling a risk inventory.

Risk Assessment: Conduct a thorough analysis of the potential causes and impacts of employee-related risks. Establish quantitative risk assessment indicators - such as the turnover rate of key positions and the frequency of employee rights violations - based on the likelihood and severity of risks, and prioritize risks accordingly.

Risk Response: Develop effective mitigation strategies based on the employee risk analysis. Implement measures such as talent reserves, policy standardization, reducing dependence on critical personnel, regular inspections, and awareness training to manage employee-related risks effectively.

Risk Monitoring: Establish a risk tracking and management mechanism to assess changes in employee-related risks on a regular basis, conducting annual reviews.

4.1.2 Diversity and Equality

The Company adheres to international conventions and legal regulations on labor and human rights, promoting equal and non-discriminatory employment policies. It applies unified and effective selection criteria for all applicants, ensuring equal access to employment and career development opportunities. The Company is committed to building a diverse workforce and treating employees of different nationalities, ethnicities, genders, religions, and cultural backgrounds with equal respect.

In 2025, the Company's management and executive management teams included 10 foreign employees, 30 ethnic minority employees, and 102 female employees. Moreover, 39 ethnic minority employees and 2 foreign employees were presented with corporate-level annual individual or team honors.

We recruit people with disabilities and create equal opportunities for them in the workplace in accordance with the Law of the People's Republic of China on the Protection of the Disabled, and the Regulations on the Employment of the Disabled. As of the end of the reporting period, the Company had signed employment contracts with 42 employees with disabilities.

Targets and Indicators:

Category	Key Metrics	Fiscal Year Progress
Staff Development	Targeting the digitalization, intelligence, and globalization sectors, the Company is intensifying efforts to attract mid-to-senior-level talent, establishing a knowledge-driven digital talent ecosystem	During the reporting period, through systematic competency qualification certification, capability assessment, and development guidance, the Company guides its employees to continuously enhance their professional expertise, building a high-quality talent pool adapted to Industrial AI transformation
	Aspiring to be a respected, trusted, and highly recognized employer brand with significant industry influence.	In 2025, the Company was named "2025 Zhejiang Extraordinary Employer of the Year," "2026 Top Employer," and "Best Employer of the Year."
Occupational Health and Safety	The Company maintains a zero-incident target for major occupational diseases and work-related fatalities each year	During the reporting period, no major occupational diseases or work-related fatalities occurred among employees

4.1.3 Democratic Management

During the reporting period, the Company implemented the employee representative assembly system, at the core of which is the labor union. Its democratic decision-making mechanisms was continuously refined to effectively safeguard employees' rights to information, participation, expression, and supervision. The Company has established regular two-way communication channels between management and employees, collecting employees' insights and rational proposals. By continuously optimizing management models and workflows, it promotes the coordinated development and mutual benefit of both the company and its employees.

The Company enforces the ST (Staff Team) Decision-Making Mechanism, conducting democratic evaluations and holding regular ST office meetings.

It has established diverse grievance and whistleblowing channels, making them accessible to all employees.

An employee representative signs key labor agreements with the Company, such as the Collective Agreement, Special Agreement on Female Employee Rights Protection, and Special Collective Agreement on Occupational Health and Safety.

Each year, an employee representative congress is convened, during which communication and consultation regarding the vital interests of employees are conducted based on mutual respect, equality, and friendliness. These outcomes are formally communicated to every employee as a fundamental component of the company's internal labor regulations.

4.1.4 Staff Hiring

Following the principles of fairness, justice, diversity, and inclusion, the Company employs standardized and effective selection criteria to conduct objective evaluations, ensuring equal opportunities based on respect and integrity.

Aligned with its Industrial AI Strategy, the Company has developed a talent pipeline strategy and built a talent reserve for key AI positions.

To strengthen its global, young, digital, and innovation-driven talent pool, in 2025, the Company intensified efforts to attract AI algorithm specialists, senior engineers, senior AI marketing professionals, and industry experts.

The company has strengthened its collaboration with universities, recruiting more than 200 fresh graduates for various positions in 2025.

In 2025, the Company was honored with several prestigious titles including "2025 Zhejiang Extraordinary Employer" by Liepin, "2026 Outstanding Employer" by 51job, and "Best Employer of the Year" by Zhaopin.

4.1.5 Staff Development

During the reporting period, closely aligned with the its new requirements for industrial AI transformation, the Company continued making efforts to build a full-cycle growth and development platform for its executives and employees. The Company continues iterating and optimizing its qualification management system, and refining the development mechanisms for employees in both professional and management tracks while updating and evolving the position and rank hierarchy. Furthermore, it has clarified the core requirements and value propositions for each level and position in the AI era, ensuring that talent standards are aligned with the its strategy and business needs.

Through systematic competency qualification certification, capability assessment, and development guidance, the Company guides its employees to continuously enhance their professional expertise, building a high-quality talent pool adapted to Industrial AI transformation. Meanwhile, the Company has established a visualized leadership management platform to achieve dynamic leadership management through data-driven approaches. By tracking and accurately evaluating leaders' duty performance, competency profiling, and cultivation development, it continuously enhances the scientific and refined management of leadership.

4.1.6 Staff Training

During the reporting period, the Company focused on the construction of the "mindset, capability, and knowledge" and gave priority to the cultivation of leadership and key position talents by rooting corporate culture in mindset, building a sound learning ecosystem to drive the continuous improvement of both organizational and individual capabilities.

A closed-loop training management system has been built

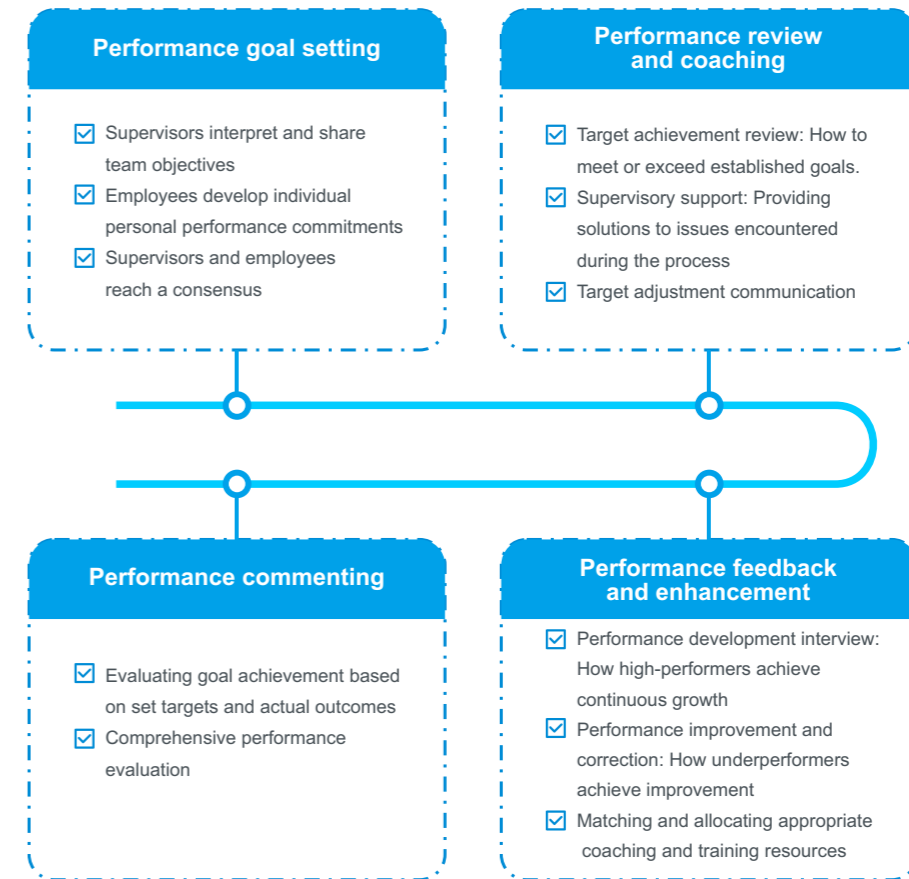
With a closed-loop system integrating "assessment, learning, and evaluation," the Company accurately investigates needs, standardizes process control, and improves effectiveness evaluation, forming a full-process optimization mechanism. During the reporting period, 100 training sessions were conducted, benefiting over 30,000 participants, with a satisfaction rate of 98.49%.

A precisely tailored training curriculum system has been well developed

Centering on the core requirements of Industrial AI strategic transformation and employee growth, the Company has built a diversified and precision-targeted curriculum system characterized by "cultural empowerment, capability enhancement, and professional advancement," ensuring the alignment of training programs with the company's development, role requirements, and individual growth.



Performance management process:



4.1.7 Performance-Related Pay and Incentives

The Company adheres to a position-based grading and salary determination system, ensuring a job-aligned, merit-driven, and dynamic pay structure. The compensation framework is designed to be both externally competitive and internally equitable and include basic salary, performance-based pay, bonuses, and various allowances and subsidies Incentives covering all employees were established to spur their positivity and creativity.

The Compensation Management System was developed to provide a comprehensive remuneration package, combining monetary and non-monetary rewards, with financial incentives classified into short-term and long-term reward mechanisms.

Organizational Performance Management Regulations and Employee Performance Management Regulations were formulated and implemented. Performance evaluations are conducted twice a year, during which departments may assess internal performance based on their respective business needs. Organizations set their objectives based on corporate strategy and requirements, while employees set personal goals aligned with organizational targets, ensuring consistency across corporate strategy, organizational objectives, and individual goals.

4.1.8 Employee Benefits & Care

Upholding a people-oriented philosophy, the Company places employees' well-being at the core of its strategic development and is committed to building a comprehensive, inclusive, and compassionate employee care and benefits system.

While addressing the fundamental needs of employees, this system enhances their quality of professional life, promotes physical and mental health, and supports long-term career growth with the aim to foster an organizational culture characterized by respect, equality, and a strong sense of belonging. The Company provides all employees with statutory benefits such as paid leave, high-temperature subsidies, and social security benefits (five social insurance and one housing fund). In addition, a comprehensive benefits package is designed to meet employees' needs at different life stages.

Employee benefits include transportation subsidies, shuttle bus services, meal subsidies, smart dining options, employee dormitories, rental subsidies, interest-free home purchase loans, birthday gifts, travel allowances, summer cooling benefits, and festival gifts for the Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival.

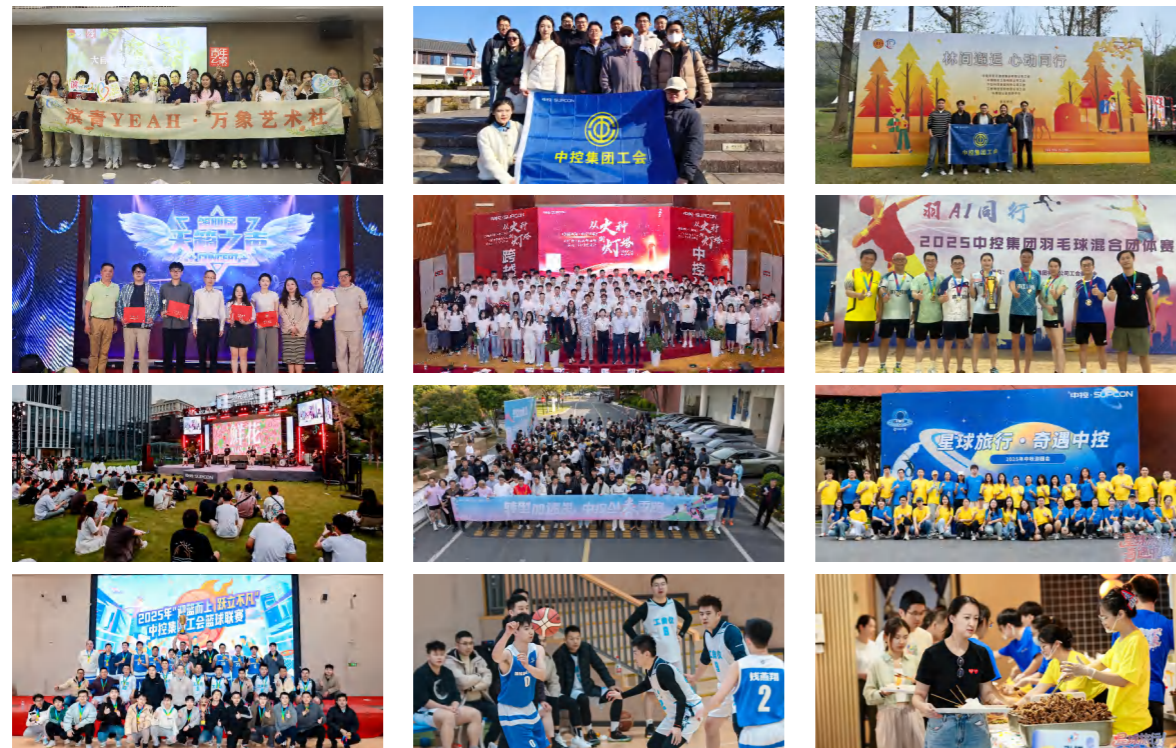
Health and wellness benefits include annual medical check-ups, occupational health examinations, supplementary medical insurance, critical illness and accident insurance, specialized health programs, labor protection measures, an Employee Assistance Program (EAP), and a traditional Chinese medicine treatment initiative for seasonal health enhancement.

For employees' children, the Company offers benefits including subsidized child medical insurance, and summer technology camps events.

In terms of marriage and childbirth, the Company provides benefits like extended leave, maternity and paternity hospitalization support, and policies that promote gender equality and childbirth policies, with special care for female employees during pregnancy, maternity leave, and breastfeeding periods. Dedicated mother-and-child rooms are equipped with free nanny and childcare courses. In 2025, the Company achieved a 95% return-to-work rate for employees after maternity leave, effectively supporting employees in transitioning back to work.

To enrich employees' personal lives, the Company organizes a variety of cultural and recreational activities, such as festival celebrations, the SUPCON Music Festival, the Mid-Autumn Garden Party, SUPCON Annual Party, SUPCON cultural night classes, book clubs, team trips, outdoor gatherings, and sports competitions.

A smart customer service platform and one-stop shared service center have been established to promptly respond to employee needs.



4.1.8 Employee Satisfaction

The Company continuously enhances employee satisfaction by conducting annual employee satisfaction surveys. During the reporting period, employee satisfaction reached 99%. The highest-rated services were "Self-Service Employee Center" and "Efficient Services of Personnel Procedures".

4.2 Occupational Health & Safety

4.2.1 Occupational Health Management System

Always placing employee occupational health and safety at the heart of its development, the Company has established a comprehensive occupational health and safety management system in accordance with domestic regulations and obtained ISO 45001 certification.



Through regular hazard identification and risk assessments, the Company accurately identifies chemical, physical, and other occupational hazards and strictly conducts daily monitoring and triennial occupational health status evaluations to ensure that risks remain under control. Meanwhile, it invests heavily in process innovation. All its new construction projects fully implement the "Three Simultaneities" for occupational health, eliminating hazards at the source. In its daily operations, the Company provides employees with standard personal protective equipment and organizes regular awareness campaigns and training. Through regularly emergency drills, it effectively enhances protective capabilities. During the reporting period, the Company reported zero cases of occupational diseases (including radiation-related) and occupational contraindications, without any major production safety accidents.

4.2.2 Workplace Safety Management System

Adhering to the principle of "safety first, prevention-focused, and comprehensive management" across all its operations, the Company continuously improves the effectiveness of its safety management and solidifies the foundation for sustainable corporate development. During the reporting period, all of the Company's EHS indicators met expectations, with a 100% control rate for major risks and a 100% timely rectification rate for general risks.

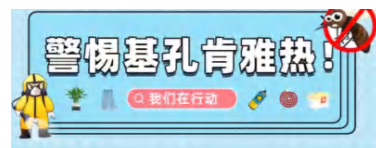
Organizational structure: The Safety Production Management Committee is the highest decision-making body, with the president personally serving as the director, fostering a multi-tiered implementation framework featuring "leadership-driven oversight, tiered accountability, and full employee participation." The Committee coordinates major safety matters and has established specialized working groups to ensure individual accountability, achieving closed-loop management from decision-making to implementation.

Policies and regulations: Safety Production Responsibility System V3.0, Quality, Environment, and Occupational Health and Safety Management Manual, Production Safety Accident Emergency Plan V3.0, Explosion Site Disposal Methods, Emergency Plan for Customer Site Explosion Incidents, and Safety Production Costs Extraction and Usage Management System, and EHS Objectives and Indicators Management Plans

Major Initiatives:

- The company has built a systematic and all-encompassing safety production management system and obtained the National Safety Production Standardization Level 2 certification.
- Driven by the objective of “zero major accidents,” the company has established a quantifiable and evaluable safety target system, which assign targets to various departments and positions and conducts regular tracking and reviews of target completion, forming a continuous PDCA improvement mechanism.
- Through systematic hazard identification, the Company has output a “Hazard Identification and Evaluation Table” and a “Significant Risk List” and defined key areas for major risk control to implement hierarchical and categorized management.
- The Company pays work-related injury insurance in full for all employees in accordance with the law and maintains a dedicated ledger to ensure full coverage of personnel.
- Regarding source governance, the Company strictly adheres to the Safety Production Law. In all new construction, renovation, and expansion projects, it fully implements the “Three Simultaneities” requirements for safety facilities and main structures, ensuring risk control from the design source. Furthermore, the “Three Simultaneities” evaluation are required for new factory projects.
- By conducting routine hazard identification and closed-loop rectification, the Company implements three-tier safety training and emergency drills. During the reporting period, the Company organized diverse safety-themed activities with over 6,000 participants, fostering a cultural atmosphere where “everyone prioritizes safety.”

Focusing on occupational health and safety risk management, the Fuyang Production Base employs scientific identification methodologies and utilizes a three-factor quantitative model of “frequency of exposure × probability of occurrence × severity” to conduct risk rating and accurately distinguish between general and major risks. The Company has established an emergency response system covering all personnel, improving incident reporting procedures and response mechanisms. During the reporting period, the Company reported zero safety incidents throughout the year.



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想当好“后勤卫士”正以全方位防控，阻断病毒传播链，守护园区安全、健康！



高层火灾生存指南：从预防到逃生
防为“予”，救为“盾”，火灾的预防和自救同样重要！！



防诈骗宣讲 | 守护钱包，答题赢奖！
诈骗套路翻新快？钱包安全受威胁？别慌！科技园反诈“救星”活动来了！



4.2.3 Chemical Safety Management

Through coordinated measures such as institutionalized inspections, dedicated supervisor oversight, and digitalized management, the Company ensures safety and compliance across all stages of chemical management. During the reporting period, the Company achieved zero chemical-related accidents throughout the year, with its management system remaining effective.

Organizational structure: The Company has appointed dedicated chemical administrators, with clearly defined job responsibilities and performance assessment standards, and established a chemical phase-out plan and a dynamic prohibited substances list to prevent the introduction of high-risk substances at the source. The Company has specified comprehensive management requirements covering the entire process, including management scope, authority and responsibilities, procurement approval, storage and usage, waste disposal, and personnel training. Integrating with environmental factor identification and hazard assessment mechanisms, the Company regularly conducts regulatory compliance reviews and effectiveness evaluations, ensuring that its documentation remains continuously in line with both legal requirements and the actual conditions of the industrial park. Through institutionalized, standardized, and accountability-driven management, the Company is capable of controlling the risks of chemicals across the full process from procurement and warehousing to requisition, usage, and disposal, providing a solid institutional guarantee for production safety and environmental protection.

Policies and Regulations: Chemical Management Regulations, Chemical Inventory, Chemical Usage Specifications, and Chemical Management Method

Major Initiatives:

To achieve strict controls, the Company has established a comprehensive management system covering the entire lifecycle of chemicals from procurement and storage to usage and disposal.

The Company has constructed a new standardized warehouse, which is managed by dedicated personnel and equipped with explosion-proof, alarm, and emergency response facilities.

As an effort to routinize visual management, the Company posts MSDS and emergency response protocols on-site, provides personal protective equipment for staff and regularly conducts safety training and emergency drills. Meanwhile, it drives process optimization to mitigate safety and environmental risks across production operations.

Strictly implementing chemical management regulations, the Company conducts regular special safety inspections on chemical usage, storage, and disposal stages to maintain inspection records and ensure closed-loop management of hazard rectification.

The Company advances its chemical phase-out plan, strictly enforces a dynamic prohibited substances list and implements procurement restrictions and substitution reviews for high-risk chemicals to mitigate risks at the source.

The Company has strengthened chemical safety training and hazard identification capabilities for all staff, enhancing their awareness of standard operations.

The Company has implemented standardized management for chemical warehouses and established an electronic chemical procurement and management inventory to achieve dynamic inventory monitoring.

4.3 Product and service safety and quality

4.3.1 Product and Service Safety and Quality Strategies

Celebrating a quality culture of "continuous improvement and pursuit of excellence," the company works towards the aim to achieve zero service gaps and zero product defects, consistently provide charming quality and help customers succeed.

Governance:

Continuously optimizing and configuring its quality management organization, the Company has established the Product Management & IT Process Quality Department at the company level and the Business Quality Management Department at the business level. Besides, the Company has created professional PQA positions to manage the entire product lifecycle. QA and QC positions with professional personnel are assigned at each product lifecycle stage - research and development, material procurement, production, engineering implementation, and after-sales service - to ensure comprehensive implementation of quality planning, control, and improvement, guaranteeing process control and reliable results.

Strategy:

Continuous efforts were made to collect, analyze, and improve quality data, establishing structured workflows for handling emergencies, quality incidents, complaints, and after-sales services, ensuring timely follow-up and resolution per established requirements. An employee assessment system has been established, providing positive guidance and directional evaluation for multidimensional quality improvements, including customer dimensions, product and service quality, and event dimensions, to ensure quality objectives are met.

Impact, Risk, and Opportunity Management:

The Company utilizes methodologies such as SWOT analysis, brainstorming, FMEA, process analysis, and 5M1E factor analysis to identify risks and opportunities affecting quality processes, activities, products, and services, including risks and opportunities related to planning, contracting, product design, procurement, production, logistics, service, equipment, and change management. Assessing and prioritizing risks and opportunities based on their likelihood of occurrence and potential consequences, departments implement control measures appropriate to the identified risks and opportunities based on their severity and prioritization. Mitigation strategies include inspections, monitoring, and measurement of products, services, and processes; equipment verification and calibration; predictive data analysis; corrective actions; establishment of standards and specifications; and enhancement of personnel competence and awareness to effectively manage quality risks and opportunities.

During the reporting period, the Company reconstructed the integrated product development (IPD) process, optimized management standards for workflows such as issue to resolution (ITR) and quality management (MQPO), and further mitigated quality risks through source prevention and process assurance. Driving a comprehensive refresh and unified governance of data structure while upgrading the data asset management platform, the Company has completed StarRocks expansion, object storage migration, and

the construction of a unified monitoring platform, strengthening data platform stability. Through continuous efforts in data lake/warehouse integration and in-depth governance, data quality and timeliness have been remarkably improved. The company reconstructed the digitalization of its full-process quality closed-loop management, integrating customer interface issue-handling channels and 13 processes across process domains, including ITR, IPD, D&S, ISC, and MQPO. By unifying issue root-cause classification and improving escalation mechanisms, the Company has enhanced its issue monitoring and early-warning capabilities and improved both processing efficiency and closed-loop quality.

In 2025, the Company obtained certifications for ISO 9001 Quality Management System, Level 4 in Data Management Capability Maturity (GB/T 36073), 5A-grade Good Standardizing Practice, CMMI Level 5 Maturity, and SIS Functional Safety Management (FSM), and achieved its first Artificial Intelligence Management System certification. TCS-900 and G5Pro obtained CSA certification in North America, and SmartEIO CSA explosion-proof certification.



Indicators and Targets:

Category	Indicators	Fiscal Year Progress
Product Quality Management	The annual customer satisfaction score, as assessed by a third-party survey, has consistently been no less 85	90.47 points
	The product factory acceptance rate was 100%	100%
Product Safety	0 major safety incidents related to products/services each year	0

4.3.2 Quality Improvement and Safety Assurance Measures

Guided by the quality policy of “customer first, digital intelligence leadership, quality as the foundation, and value co-creation,” the Company provides customers with product and service philosophies featuring “safety, sustainability, quality enhancement, and efficiency improvement” while continuously deepening its comprehensive quality management.



Product Development: Aligned with the implementation requirements of the AI management system, the Company has enhanced activities and templates across all stages, forming a standardized industrial AI product development workflow covering “requirement analysis - scheme design - R&D implementation - testing & verification - mass production and delivery - review and iteration.” Adopting a cross-functional development model integrating R&D, manufacturing, procurement, sales, and engineering services, the Company has strengthened the capabilities of key roles and fostered a competitive edge for its industrial AI products.



Supply Chain Management: The Company established a Reliability Committee to systematically strengthen the full-process control mechanism for supplier qualification, certification, and performance evaluation. By continuously optimizing the Product Change Notification (PCN) process and dynamically iterating quality and PCN agreements, the Company continues enhancing supply chain transparency and compliance. Through the identification and mitigation of latent risks at the source, the long-term stability of product quality is ensured.



Manufacturing: By boosting digitalization and quality system construction and building a factory data platform and a transparent factory, the Company enables full-process visualization, traceability, and controllable management from raw materials to finished products. By promoting process standardization, optimizing the new product introduction (NPI) workflow and continuously enhancing the quality management systems of external suppliers, the Company has significantly improved production consistency and operational efficiency.



Engineering Services: The Company has solidified the quality assurance system and strengthened ecological supervision and professional service capabilities. By optimizing supervision standards and constructing a robust assurance system, the Company has ensured full supervision coverage across all S/A-level projects, provided specialized services for key projects, increased the sampling rate of ecological supervision and enabled ecological partners to improve their quality control frameworks.



After-Sales Service: The ITR and operational service processes have been optimized and SOP standards systematized. By improving AI-driven service platforms and tools including the customer service operations platform, the SUPCON AI model, and overseas self-service online bots, the Company has enhanced customer reach efficiency and service experience, constructed an integrated online-offline service demand guidance system, and integrated customer demand information flows. These efforts have significantly increased customer callback rates and operational leads, contributed to sustainable growth in the service business and won company the Five-Star After-Sales Service System Certifications for consecutive years.



To enhance all employees’ quality awareness and customer value orientation, the Company has organized company-wide Quality Month activities themed “Digital-Intelligence Enablement and Breakthroughs in Quality and Efficiency.” Through diversified forms, high-level quality philosophies are effectively communicated to the frontline employees. Meanwhile, communication channels for employee feedback are facilitated, establishing a positive top-down and bottom-up interaction mechanism.

Meanwhile, the Company has launched an information-based monitoring system. With dynamic monitoring and analysis through visualized interfaces, it continuously refines its customer experience management and further deepens the core value of “Customer First.”

4.3.3 Quality Management Supervision and Feedback Mechanism

With a customer-centric approach, clear quality goals leading the way, full-process quality supervision as the primary methodology, and digitalization as the technical leverage, the Company continuously strengthens its quality monitoring and alert systems, enhances quality traceability efficiency, and increases the efficiency of analyzing and addressing anomalies. During the reporting period, the company’s efficiency in handling complex quality issues improved by 52.38% compared to 2024.

Adhering to a systematic management policy characterized by top-down leadership and internal-external coordination, the Company has achieved a quality supervision closed-loop covering the entire value chain. With a three-tier collaborative supervision architecture covering the “project, product, and corporate” levels and multi-dimensional supervision perspectives across “customer, product, and business”, the Company has integrated improvement mechanisms of forward-looking quality supervision and reverse-looking quality review and can promptly identify latent quality hazards within the supply chain and production stages, facilitating rapid issue resolution and effective closure while ensuring that quality risks remain controllable and traceable.

Based on a three-level linked supervision mechanism, the Company centralizes product and project quality information supervision, system audits, process audits, and testing and inspection. Through routine patrols and specialized inspections as well as periodic quality bulletins, the quality status across the entire process is under transparent, quantifiable, and normalized management.

Quick Response Quality Control (QRQC) tools are utilized to enable real-time response and closed-loop handling of quality issues in the supply chain and production sites. The layered audit mechanism (LPA) breaks down quality management requirements and ensures their implementation at every operational step.

For feedback and Improvement, the Company has established a multi-channel information collection system, integrating online platforms, customer service hotlines, and regular satisfaction surveys, ensuring that feedback from customers and employees is promptly collected, efficiently analyzed, and transformed into concrete actions for product and service optimization.

Drawing on the market-facing advantages of “5S Centers,” the Company actively listens to customer feedback and conducts on-site diagnosis and problem-solving, integrating the “customer first” philosophy throughout the entire chain of quality supervision and feedback.

4.3.4 Quality Certification and Honorary Medals

During the reporting period, the Company continued deepening the construction of its product lifecycle management system and released the updated Product Lifecycle Management Control Procedure, clarifying service policies for customers at each stage and detailing monitoring and execution requirements. Comprehensively upgrading standardized and refined management throughout the product lifecycle, the Company integrates sustainability into all stages including design, production, usage, logistics, and end-of-life, balancing environmental friendliness, customer value, and social responsibility to facilitate the construction of a sustainable product value system.

Product Design Phase

Through high-quality investment decisions, the Company focuses on high-value and high-responsibility product mix. Relying on continuous technical innovation and optimization, the Company accurately aligns with market demand, social requirements, and environmentally-friendly needs, strengthens technological control points and reduces product costs to continuously enhance the product's competitive differentiation and help customers succeed in sustainable development.

Manufacturing Stage

Adhering to the philosophy of green production, the Company continues optimizing manufacturing processes and workflows to minimize the environmental footprint and promote a transition of manufacturing toward low-carbon and clean production.

Usage Stage

The Company has detailed after-sales service systems and standards based on the specific characteristics of different product lifecycle stages and specified customer service policies and assurance measures for each phase, delivering timely and effective support for customers throughout the usage process and improving customer experience and satisfaction.

Product Logistics and Transportation/Warehousing Phase

A reasonable inventory distribution has been designed to optimize the chain of warehousing and transportation flows. Through modular design optimization and recycling of packaging materials, the Company has reduced material consumption and lowered energy use and costs during logistics and transportation, propelling the green upgrade of logistics and warehousing and reducing products' overall environmental footprint.

End-of-Life Stage

The Company strengthens customer communication during end-of-life stage of the product lifecycle by proactively communicating adjustments to lifecycle status and changes in service policies. Furthermore, it provides transition guidance and support after the end-of-life phase and assists customers to dispose obsolete products per standards so that they can achieve smooth business transition, achieving integrated closed-loop management across the entire product lifecycle.

4.3.5 Complaint Management

The Company has reinforced its complaint management mechanism by optimizing the principles, categorization, definitions, and the receipt and handling processes of customer complaints, released the Complaint Handling Management Measures and organized sessions to publicize the complaint workflow system and training on complaint processing and cause analysis.

Customer complaints are received through the service hotline. According to complaint workflows, determination criteria, and response protocols, designated personnel are responsible for receiving and verifying complaints, and then assigning them to the relevant personnel for handling. In the process, they also identify the causes of complaints, formulate corrective measures and implementation plans, track resolution progress, conduct customer callbacks after resolution, ensuring that complaints are resolved. The customer complaint resolution rate reached 100% during the reporting period.

4.3.6 Customer Satisfaction

A sound customer satisfaction evaluation system has been established. Collect customer feedback on various aspects such as sales service, user training, delivery service, engineering service, product quality, and after-sales service to identify discrepancies between customer perceptions and actual experiences. During the reporting period, the Company's customer satisfaction score increased by 0.97 compared to 2024 (as assessed by Gongkong).

Policies and Regulations: User Satisfaction Management Method

Major Initiatives:

The Company makes unremitting efforts to strengthen its Voice of the Customer (VOC) management. In 2025, the total VOC collection volume and the closed-loop resolution rate increased by 40.85% and 25.65%, respectively, compared to 2024.

The Company has established evaluations for customer satisfaction, Lean Six Sigma management, emergency handling of significant customer site incidents, abnormal event management, as well as organizations focusing on issue resolution, and continuous improvement at each line and level, to support customer satisfaction evaluation and enhancement.

Based on customer satisfaction, the Company continuously enhances its scientific, end-to-end management and control capabilities. The Company promptly addresses customer pain points during project implementation and improves overall project delivery quality.

4.3.7 After-Sales Service Management System

In compliance with ISO9001 and GB/T27922 Evaluation System for After-Sales Service of Goods, the Company has established a comprehensive after-sales service management system, guided by the After-Sales Service Manual and operating under the After-Sales Service Management Measures and Standards, with ITR series processes as the implementation support. The Company obtained five-star certification through third-party audits under the Evaluation System for After-Sales Service of Goods.



Building an after-sales service team

The Company has established a professional and efficient "Greater After-Sales" team based on the ITR process to resolve user after-sales issues. This team utilizes standardized business management and intelligent tools to quickly and effectively address various challenges. In 2025, the remote technical support resolution rate for user issues was 93.1%, and after-sales service satisfaction 97.12.

After-Sales Service Platform

Leveraging AI Technology, the Company has initiated intelligent after-sales service. In 2025, the "Smart SUPCON" robot achieved a first-time resolution rate of 77.15% for after-sales service issues.

After-Sales Service Commitment

Service commitments are communicated through various channels such as the corporate website, sales contracts, service contracts, 5S stores, and the S2B platform. Users can obtain the specific contact information for after-sales service requests via system cabinet door labels, project completion documents, and the after-sales service guide (available on the CD within the manual).

An after-sales hotline (+86) 400-887-6000 has been established, supported by an independent team providing 24/7 year-round response and telephone technical support.

Improvement of Overseas After-Sales Processes

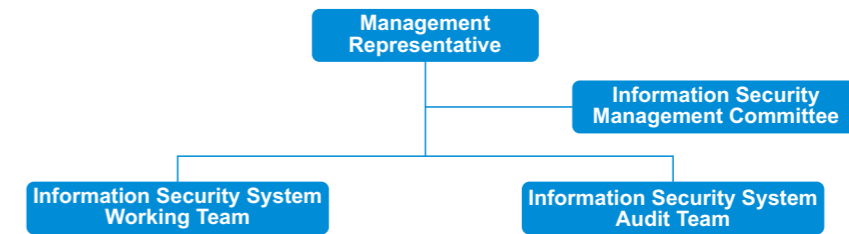
Standard Operating Procedures (SOP), such as the Overseas Fault Handling Response Guidelines and Overseas Telephone Handling Guidelines, are created to streamline multi-channel after-sales support pathways and enhance global service quality.

4.4 Data Security and Customer Privacy Protection

Governance:

An Information Security Management Committee (ISMC) is established, with the Company's CEO serving as the Chair and department heads as committee members. The Committee convenes ISMC meetings on a regular basis to make decisions regarding the Company's information security strategies, policies, and measures. A system review group is established. By continuously reviewing and improving the Company's information security management system, the group effectively manages and addresses various information security risks, enhancing overall information security levels to ensure business continuity, integrity, and confidentiality. Based on performance management, the information security management capabilities of departments are evaluated through, forming high-efficiency mechanisms for information transmission and issue resolution.

Organizational Structure of the Information Security:



Strategy:

The Company has comprehensively assessed the impacts that risks related to data security and customer privacy protection may pose establishes and perfects information security management systems, revising documents such as the Data Security Management Measures, Information Security Incident Management Measures, Supplier Information Security Management Measures and Personal Information Protection Management Measures. A professional data security management platform is developed to support data security control through multiple dimensions, such as data access, auditing, and sensitive information identification. Moreover, an emergency response mechanism and contingency plan for data security incidents are established, with regular emergency drills and data recovery tests to ensure the integrity and availability of backup data.

Risk Analysis for Data Security and Customer Privacy Protection:

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Data Security Risks in Information Systems	Risks related to data storage media damage and vulnerabilities in access management (short-, medium-, and long-term)	Low	High	This may cause an escalation in the company's operating expenses and erode its revenue	A remote disaster recovery system is built, with regular inspections, tiered backups, and backup effectiveness verification. A zero-trust architecture is used for access management, with processes based on least privilege, audit tools for review, and strict control over temporary permissions.
Network Security Risks	Primarily involving network intrusion risks, with random occurrences. Small-scale infections have limited impact, but large-scale outbreaks can significantly affect business operations and reputation	Low	High	This may cause an escalation in the company's operating expenses and erode its revenue	A proactive defense system is implemented, deploying anti-ransomware system, antivirus software, timely updating virus databases, scanning and repairing vulnerabilities, enhancing employee training, and regulating external devices
Data Leakage Risks	Occurring due to improper access management, internal misconduct, or external attacks, these risks have a broad impact, ranging from immediate damage to long-term reputational loss. In severe cases, this may lead to legal action and substantial fines (short, medium, and long term).	Low	High	This may cause an escalation in the company's operating expenses and erode its revenue	To mitigate leakage risks, data is classified and tiered, and mechanisms have been deployed, including a specialized data security management platform, a reinforced intranet zone isolation and a multi-level security defense mechanism.

Impact, Risk, and Opportunity Management:

Risk Identification: With the leadership by the Information Security Committee and the participation of business departments, through brainstorming, expert consultations, data analysis, and industry benchmarking, data security and customer privacy protection risks are identified, resulting in a comprehensive risk inventory.

Risk Analysis: In terms of data security, a thorough review and identification process is conducted, categorizing risk events related to data security and customer privacy protection based on three key factors: the criticality of the impacted entities, the severity of business losses, and the extent of societal harm. Impacted entities primarily include information systems, communication network infrastructure, and data. For customer privacy protection risk and opportunity management, a quantitative assessment is conducted by considering factors such as data sensitivity, scope of impact, and likelihood of occurrence. Additionally, potential opportunities are identified through market research and customer feedback. Risk probability is further assessed using historical data analysis, threat intelligence monitoring, and simulated attack testing.

Risk Response: Targeted mitigation measures are implemented based on the results of data security and customer privacy protection risk analysis, including:

- Conducting a comprehensive security classification of corporate data in accordance with the classification and grading standards stipulated in the Data Security Management Measures. Employing data masking, encryption, and other techniques to ensure data privacy based on different data usage entities
- Observing relevant laws, regulations, and the requirements of regulatory authorities, the Company assesses data security and performs self-assessments of data security risks and corresponding control measures within typical scenarios, ensuring that all risks are under control.
- For customer privacy protection, the Company implements a classification management system for personal information protection, strengthening impact assessments of such protection, and establishing a comprehensive incident response mechanism. Adopting advanced technical measures, such as network isolation, data encryption, access control, and security auditing, to effectively mitigate the risk of personal data breaches

Risk Monitoring: Establishing a robust risk tracking mechanism for data security and customer privacy protection to ensure periodic risk reassessments on an annual basis



In 2023, the company obtained the ISO 27001 Information Security Management System (ISMS) certification.

Metrics & Targets:

Category	Indicators	Fiscal Year Progress
Data Security	Zero major data breaches annually.	During the reporting period, the Company did not experience any significant cybersecurity, information security, or privacy leakage incidents.
	The data security and privacy protection management framework has been strengthened, and training on privacy and data security has been conducted to raise employee awareness of data security.	During the reporting period, the company continued advancing data protection and leakage prevention through its Information Security Management Committee, released a range of management provisions and conducted data security training and assessments tailored to various business lines, enhancing employees' awareness of data security and privacy protection.
	Systems for managing data security were established. A data classification and hierarchical control plan was implemented, with regular data security assessment conducted.	The Company adhered to the Data Security Management Measures and implemented data classification and hierarchical control and self-assessment on data security during the reporting period.

4.5 Innovation As a Driving Force and Clean Technology Opportunities

Leveraging its profound expertise and cutting-edge exploration in the process industry and Industrial AI, the Company deeply integrates AI technologies into core industrial automation sequences. As the pioneer in applying AI to the industrial automation sector, the Company has made breakthroughs and achieved scenario-based implementations through clean technology innovation, ushering the industry into a new era of AI.

Governance:

The Company has established a Product and Technology Committee, chaired by the CEO, which is responsible for formulating the Company's IPD (Integrated Product Development) strategy, monitoring the execution of product and technology strategic plans, and overseeing the construction of the Company's overall technology framework and annual development plans. It is also responsible for the development of the Company's product and technology systems, among other tasks.

Strategy:

Based on industry growth and customer requirements, the Company leverages a robust technology R&D system and platform to monitor technological advancements along the supply chain in a dynamic and timely manner. Through data prediction and expert discussions, it thoroughly evaluates the effects of innovation-driven risks and opportunities.

Risk Analysis of Innovation As a Driving Force:

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Technological Iteration and Product Update Risks	The Company must continuously drive technological innovation and new product development to meet the evolving market demands. If the Company fails to accurately assess new market demands for technologies and products, or does not timely acquire new key technologies, it may lead to a decline in the competitiveness of its products (in the medium to long term).	Low	High	It could potentially affect the Company's revenue.	<ul style="list-style-type: none"> To address this, the Company has established a comprehensive R&D system covering the entire product lifecycle, continuously increase R&D investment, and ensure its technological capabilities remain at the forefront of the industry. The Company has implemented the R&D Budget Management System to standardize the management of R&D budgets, promote the development of new technologies and product applications, and improve the return on R&D investments.
Underperformance in R&D	If the Company fails to launch new products that meet customer and market demands in a timely manner, or if the R&D progress falls behind expectations, this could negatively impact its market share and operations in the medium to long term.	Low	High	This may affect both market share and revenue.	

Metrics & Targets:

Category	Indicators	Fiscal Year Progress
Clean Technology R&D Innovation	The proportion of R&D investment in total annual revenue increases each year.	In 2024, R&D investment increased by **% compared to the previous year.
	The Company is establishing a digital and green benchmark project, leveraging its demonstration effects to vigorously promote the use of energy-saving and carbon-reduction technologies	During the reporting period, the Company launched new-generation products such as TPT2.0, setting new benchmarks for intelligent green technology.

4.5.1 R&D Management System and Platform

The company continues pushing forward efforts in R&D management systems, organizational operations, digital tool platforms, and the cultivation of an innovation culture and has established integrated innovation management capabilities covering the entire process from requirements and R&D to quality, decision-making, and delivery, providing a reliable guarantee for technical iteration and long-term sustainable development.

For the construction of R&D management systems, the Company deeply integrates business growth with technical governance requirements and incorporates frameworks such as IPD, CMMI, and AI management systems based on AI development trends and technical characteristics. Through systematization and optimization of R&D workflows, it enhances standardization, professionalism, and collaborative efficiency in the R&D process and ensures legal and regulatory compliance in AI development and product applications as well as standardized implementation of technological innovation.

For organizational and team operations, the Company continues reinforcing the operational mechanisms of IPD heavyweight teams and ensuring the stable and efficient operation of core teams such as IPMT and SPDT. Meanwhile, the Company focuses its decision-making, planning, and R&D implementation on the strategy and market demands of each product line, facilitating end-to-end alignment from strategy to product and from requirement to deliver and supporting the high-quality and sustainable development of all business lines.

For R&D tools and digital platforms, the Company has developed a centralized project management platform integrating multiple core capabilities, enabling full-process online and transparent management of business operations and projects while significantly improving R&D collaborative efficiency and delivery quality.

4.5.2 Intellectual Property Management

The Company strictly adheres to intellectual property laws and regulations, ensuring comprehensive creation, application, protection, and management of intellectual property, and preventing various intellectual property risks. The Company has obtained intellectual property compliance management system certification. During the reporting period, the company filed 363 new patent applications and obtained 136 granted patents and reported no major intellectual property infringement cases.



Impact, Risk, and Opportunity Management:

Risk Identification: With the support of the Product and Technology Committee, the Company organizes annual product and technology management meetings. It engages in innovation-driven risk identification through brainstorming, expert interactions, data analysis, and peer benchmarking, ultimately producing a risk list.

Risk Analysis: A thorough analysis is conducted to determine the potential causes and impacts of risks of Innovation As a Driving Force. Based on the likelihood of occurrence and severity, quantitative risk assessment metrics (e.g., market demand fluctuations, R&D progress) are established to prioritize risks systematically.

Risk Response: Informed by risk analysis, targeted measures are implemented to mitigate innovation-driven risks by enhancing product lifecycle management, regulatory compliance, and R&D system development. Specific initiatives include:

- Annual product and technology management meetings are convened every year to ensure that the Company's investment in technological innovation aligns with its strategic development needs.
- A product development decision-making mechanism is established, achieving over 95% coverage in product development decisions
- Adopting a cross-functional development model while strengthening the capabilities of key roles such as product managers and marketing representatives. This enhances product marketing and delivery capabilities, fostering a competitive edge in cost, quality, and profitability.
- Fully advancing the implementation of the IPD transformation by organizing seven company-wide transformation initiatives across multiple business domains, including product strategy, portfolio planning, competitive positioning, cost optimization, and go-to-market strategies. Supporting process regulations have been introduced and implemented, along with the deployment of digital platforms for requirements management, product configuration and quoting, and product development decision management (DCP)

Risk Monitoring: A comprehensive risk tracking mechanism is established to assess changes in risks of Innovation As a Driving Force on an annual basis

Governance:

An Intellectual Property Committee has been established, chaired by senior management and comprising key business unit leaders. The committee is responsible for coordinating intellectual property management, identifying, analyzing, and responding to related risks and opportunities, and formulating and implementing strategies to ensure the continuous protection and management of the Company's intellectual property.

Strategies:

To effectively address intellectual property (IP)-related risks and opportunities, the Company continuously enhances its IP management system, including the IP Management System Manual, General Provisions on IP Management, General Provisions on IP Compliance Management, Patent Management Measures, Trademark Management Measures, Copyright Management Measures and IP Risk and Dispute Resolution Control Procedures. This comprehensive framework ensures systematic management of IP risks and opportunities. Furthermore, IP management has been integrated into the Company-wide performance assessment system to establish a robust IP supervision and management framework, ensuring the effective implementation of IP strategies.

Impact, Risk, and Opportunity Management:

In accordance with the Enterprise Intellectual Property Compliance Management System Requirements and other relevant laws, regulations, and normative documents, the Company has further standardized its intellectual property (IP) risk management and dispute resolution processes to safeguard its IP-related rights and interests. Through industry analysis, expert consultations, and brainstorming sessions, the Company systematically identifies potential IP-related risks in its operational activities. These risks are categorized based on their likelihood and impact into two main types:

Category I Risk

The risk that the company infringes upon the intellectual property rights of other organizations or individuals.

Category II Risk

The risk of other organizations or individuals infringing upon the Company's intellectual property rights.

Management Measures of Intellectual Property-Related Risks

- ⊕ Developing the IPMS Intellectual Property Management Platform as the central hub for IP protection and control
- ⊕ Implementing full-lifecycle IP monitoring for R&D projects, generating comprehensive IP outcome assessments and risk evaluation reports
- ⊕ Mitigating IP infringement risks in procurement processes while preventing trade secret leakage
- ⊕ Conducting IP status reviews and analysis throughout the entire sales process and formulating appropriate response strategies
- ⊕ Proactively executing Patent Cooperation Treaty (PCT) patent portfolios and trademark registrations in international markets
- ⊕ Establishing an internal response mechanism for IP violations, ensuring effective risk contingency planning and robust management of infringement incidents

4.5.3 Achievements of Clean Technology Innovations⁴

Leveraging its technical expertise and technical edge, the Company integrates data resources, optimizes algorithmic capabilities, and broadens application scenarios, advancing its technological upgrades and business transformation. Centering on clean technology and industrial AI, the Company is deepening R&D innovation to facilitate a strategic pivot toward Industrial AI. Enabling low-carbon, high-efficiency growth through technical breakthroughs, it contributes to the industry's green transition and sustainable development through technological innovation.

AI-Inside Intelligent Control Technology

The Company has independently developed the AI-Inside intelligent control system, deeply integrating AI capabilities with industrial control system. This technology comprises two core components: the AI-PID intelligent control module and AI-assisted configuration programming. Based on reinforcement learning inference models, the AI-PID module features adaptive control parameters, self-optimizing strategies, and autonomous model learning. By building generalized control policies through pre-training and combing with real-time feature extraction, it enables tuning-free operations and significantly boosts loop commissioning efficiency while reducing reliance on human experience. AI-assisted configuration programming uses a foundational corpus for industrial control programs. By blending large language models with fine-tuning techniques, the technology enables the auto-generation of IEC 61131-3 standard ST code from natural language, as well as the intelligent conversion of P&ID drawings into configuration logic, greatly improving engineering design efficiency. This technology system has been applied in a number of actual projects, ensuring the stable operation of production units and optimal project delivery timelines.

Open automation universal control system architecture

This new "cloud-network-end" minimalist architecture is composed of a control data center, an all-optical deterministic network, and intelligent devices and characterized by its software-defined, fully digital, and cloud-native DNA. It tackles the triple challenge of "data, computing power, and models" in the AI era, by embracing Ethernet-APL technology, fully digital smart instruments, flat-architecture networked communications, and multi-modal sensing, the system enables seamless data integration and real-time interaction from the field layer to the control data center, laying a foundation of high-quality, time-sensitive industrial big data for industrial AI applications. While boosting its flexibility and expandability, the architecture significantly enhances the system's capacity for intelligent decision-making and optimization in complex industrial environments. By now, UCS has been successfully deployed in field scenarios in sectors including petrochemicals, chemicals, and oil and gas.

Time-series large model technology for process industries

Based on deep industry insights and prowess in data interpretation, the Company has built a comprehensive industrial data labeling system and labeling tools, constructing massive high-quality industrial datasets that serve as the bedrock for building time-series large models with greater scale and superior generalization. Meanwhile, the Company independently developed the multi-dimensional attention mechanism that probes the interplay and underlying patterns of time, space, and sample, significantly enhancing zero-shot generalization and online adaptation capabilities. If well designed and optimized, the mixture of experts (MoE) architecture is capable of processing volatile and complex industrial scenarios with higher precision and efficiency while cutting the reliance on costly computing resources. Supported by cross-task and cross-scenario integration, the Company reconstructs the industrial software ecosystem. Streamlining the critical loop of "sense-analyze-decide-execute," it develops industrial agents capable of highly autonomous operations, accelerating the pivot toward "minimally-staffed or unmanned" production in the process industry.

⁴For more details on the Company's products and solutions, please refer to the 2025 Annual Report.

multi-scale integration of AI and physics-based models

The Company has overcome key challenges in multi-scale integration of AI and physics-based models, including data, algorithm, and knowledge graph integration, enhancing the practical usability of AI models in industrial settings. At the data level, the Company leverages the sample data of extreme or abnormal operating conditions from the simulating calculation of physics-based models for processes, and mixes them with real-world plant data for training, improving the model's generalization capacity. At the algorithmic level, the Company has optimized existing neural operators, symbolic learning, and latent space alignment to improve the consistency between AI predictions and physics-based models. Furthermore, by incorporating process knowledge graphs to perform causal inference, the Company has reduced computational overhead and solved "distracted attention" issues, improving both calculation efficiency and precision. Relevant technologies have been deployed on critical units in the petrochemical and coal chemical industries, delivering remarkable results.

AI-driven intelligent R&D technology for new materials

The Company's intelligent R&D technology for new materials focuses on two areas: catalyst intelligent design and the development of new polyolefin products. Based on traditional molecular-level quantum calculations, the catalyst intelligent design technology utilizes "AI potential functions," its technical foundation, to drastically increase R&D efficiency and expand the polyolefin catalyst performance library. Meanwhile, universal lightweight reaction kinetic modeling is combined with AI error function self-calibration to construct interpretable "AI + physics-based" catalyst property prediction models in a rapid and precise manner, providing support for catalyst feed management and recipe optimization during production. In the area of polyolefin product R&D, generative AI frameworks are used to achieve inverse process recipe mapping based on product quality indicators. This approach has lowered R&D costs and technical barriers, accelerated development cycles, and facilitated the strategic transition of polyolefin products from the low-end to the high-end market.

4.5.4 Science Ethics

Giving a high priority to ethical standards and risk management within AI applications, the Company seeks to build a governance mechanism for secure, reliable, and responsible AI. During the reporting period, the Company obtained the artificial intelligence management System certification, which indicates that its standardization efforts in AI R&D, data utilization, algorithmic security, and ethical review are now in line with industry benchmarks.

Guided by systematic requirements, the Company continues improving its full-lifecycle AI governance process. By strengthening technical security and ethical constraints, it remains committed to the principle of "Tech for Good" and ensures that all AI applications are legal, compliant, and reliable. Through a sound governance architecture, reinforced risk prevention, and internal oversight, the Company persistently strengthens the security and sustainability of its intelligent development, promoting the collaborative progress of digital enablement and sustainable development through responsible innovation.

4.5.5 Responsible Investment

Focusing on augmenting ESG value through Industrial AI, the Company fully integrates the philosophy of responsible investment into the entire investment decision-making process. Taking consistency with its influence positioning and strategic objectives as a key consideration, the Company remains committed to an industrial AI-driven strategy and promotes the deep integration and innovation of industrial automation, intelligent manufacturing, and advanced manufacturing while addressing environmental protection, social responsibility, and other ESG factors.

Strictly implementing requirements for clean technology and sustainable development, the Company focuses its investment on its core business. Driven by "AI + Data," and "AI + Security," the Company supports enterprises in the process industry in transition from digitization to intelligence, facilitating high-quality and sustainable development within the sector. As of the end of the reporting period, 100% of the company's investment projects were in line with responsible investment standards and procedures. By transforming philosophy into practice, the Company has achieved the coordinated development of economic, environmental, and social benefits.

Typical Investment Cases:

Key Investment Areas	Main Content	Project Type
Industrial AI Field	Targeting companies that can use AI technology to empower industrial production, optimize processes, improve quality and predict equipment failure	Industrial software project for equipment health management Digitally delivered industrial software projects
Robotics	Prioritizing investment in industrial robotics enterprises with outstanding in-house R&D capabilities, exceptional product performance, and strong market competitiveness, while actively expanding into cutting-edge fields such as humanoid robotics	Advanced humanoid robotics projects
Advanced Processes and Energy Saving and Carbon Reduction	Targeting enterprises that specialize in mastering critical core technologies, these companies offer high-efficiency, energy-saving production process solutions to drive green and low-carbon development. Their expertise spans areas such as ammonia synthesis, ammonia energy applications, and green hydrogen	Leading engineering and consultancy projects in the field of energy and the built environment
High-end Analyzers	Targeting enterprises with high precision and high-performance capabilities, whose products are widely applied in power generation, petrochemicals, pharmaceuticals, and scientific research. These companies provide critical measurement and sensing technologies for process industries, enabling intelligent manufacturing and driving digital transformation	Informational industrial software projects High-end analyzer projects

Key Investment Areas	Main Content	Project Type
Production and occupational safety	The company focuses on intelligent explosion-proof equipment, industrial park production safety, and robotics simulation technology. Strengthening intrinsic safety and closed-loop risk management in high-risk environments through AI technology, the Company provides direct assurance for frontline employees' life and health. Regarding process optimization, Sim2Real (simulation-to-real) technology is utilized to reduce physical commissioning costs and onsite operational risks, enhancing the deployment efficiency and flexibility of production lines.	Informational industrial software projects
Data and Governance Domain	The Company has intensified its efforts centering on data governance, model synergy, and autonomous decision-making in the industrial AI sector. Enterprises capable of constructing "data-driven + knowledge-guided" intelligent decision-making frameworks and agent systems are given priority support.	Industrial AI data governance projects

4.6 Supply chain security

4.6.1 Supply Chain Management System

The company has fully integrated supply chain security management into its ESG strategy and deepened mutual trust and cooperation with suppliers through transparent and traceable supply chain governance mechanisms, continuously advancing sustainable development of the supply chain. During the reporting period, the company obtained the green supply chain management system certification.

Governance:

The Procurement and Planning Committee has been established. By streamlining key stages across the process, the Committee enhances coordination between production and sales and minimizes waste, achieving the optimal allocation of human, financial, and material resources. Meanwhile, the Company has standardized its procurement decision-making processes, strengthened strategic guidance over procurement operations and optimized procurement management mechanisms. By improving decision-making quality and efficiency, the Company ensures open, fair, and impartial procurement activities, rational and scientifically-grounded procurement decisions as well as procurement that is operating securely and effectively to enhance decision transparency and accountability, the Company has established a rigorous oversight and evaluation system, incorporating KPI decomposition, monthly and ad-hoc reporting mechanisms, and accountability protocols.

Strategy:

In the long-term cooperation with suppliers, the Company has developed the Procurement Risk and Emergency Management Measures to secure the supply of raw materials, outsourced components, and equipment sets, mitigate operational impact and major damages caused by supply shortages or deficiencies, and guarantee timely and high-quality procurement. It closely monitors various external contingencies and analyzes risk factors including supply, quality, and price risks. In the case of emergencies, it activates emergency response plans and takes countermeasures. Risks are categorized based on the impact of contingencies across sales, product, and supply segments. Corresponding incident response procedures are also formulated accordingly.

The Company has developed institutional documents including the Procurement Management Procedures, Emergency Procurement Procedures, Certified Supplier Qualification Standards, Supplier Performance Evaluation, and Strategic Reserve Management Protocols, aimed at effectively mitigating supply chain security risks and addressing urgent incidents to ensure operational continuity.

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Risk of Stock-Outs of Purchased Goods	Disruptions to our production and operations may arise from supplier sanctions, original manufacturers ceasing operations, or significant force majeure events such as earthquakes, hurricanes, typhoons, and floods. Additionally, industrial accidents (e.g., fires, power outages, network failures) and delivery disruptions (e.g., road closures caused by pandemics or social incidents) can have adverse long-term effects on our business, financial condition, operational performance and outlook.	Low	Medium	Such events may also lead to increased operational costs, imposing a severe financial burden on the Company.	<ul style="list-style-type: none"> To mitigate these risks, we adhere to the Emergency Procurement Management Policy, which includes contingency measures such as stockpiling critical materials, switching suppliers, and implementing emergency design modifications. Furthermore, we have established a Supply Chain Contingency Response Plan to enhance our emergency response capabilities in order fulfillment and material security.
	When utilizing third-party logistics providers to transport products or components to customers, we are exposed to potential transportation risks. These risks stem from both the logistics providers' own operational challenges and uncontrollable force majeure events. Any such disruptions could have short-term negative effects on our business, financial condition, operational performance, and long-term outlook.	Low	Medium	Such events may also lead to increased operational costs, imposing a severe financial burden on the Company.	
Supplier Management Risks	Inadequate supplier lifecycle management may lead to supply chain security incidents or on-site safety accidents at supplier facilities, resulting in business interruptions or operational setbacks. Such incidents can hinder on-site operations and pose mid-to-long-term risks to our business, financial condition, operational performance and outlook.	Low	Medium	Such events may also lead to increased operational costs, imposing a severe financial burden on the Company.	<ul style="list-style-type: none"> Regularly update supplier qualification criteria and implement a structured end-to-end supplier lifecycle management and monitoring process Enforce strict supplier onboarding and evaluation procedures, enhance supplier assessment and training programs, and support suppliers in improving their sustainability capabilities in manufacturing processes
Inventory Management Risks	Discrepancies between forecasted and actual demand may pose inventory management challenges. If our demand forecasts underestimate actual requirements, we may be unable to produce or deliver products in a timely manner, thereby losing market share to competitors. Conversely, excessive inventory accumulation increases inventory risks. Excessive inventory levels could result in increased inventory costs, risk of inventory obsolescence and provision for inventory impairment, which would have a material adverse effect on our business, financial condition results of operations and prospects (short to medium term)	Low	Medium	Such events may also lead to increased operational costs, imposing a severe financial burden on the Company.	<ul style="list-style-type: none"> By conducting in-depth analyses of material properties and market trends, the Company formulates clear procurement strategies for each material. Additionally, strategic sourcing management is implemented for specific materials based on supply-demand dynamics and market price fluctuations to ensure stable production while driving continuous cost reductions in procurement. Leveraging automated procurement processes, the Company minimizes inventory risks while enhancing the resilience and stability of the supply chain.

Impact, Risk, and Opportunity Management:

Risk Identification: Utilizing historical data analysis, predictive modeling, expert discussions, and brainstorming sessions, the Company systematically identifies risks and opportunities related to supply chain security. For example, inventory items with an aging period exceeding 180 days are classified as low-turnover, high-risk materials.

Risk Assessment: Risks and opportunities associated with supply chain security are evaluated and prioritized based on multiple dimensions, including probability of occurrence, severity, business continuity threats, and the impact of unforeseen events on sales, product availability, and supply stability.

Risk Response: Tailored mitigation and response measures are developed for each category of supply chain security risks and opportunities. These measures are incorporated into relevant policy documents and regulatory frameworks to ensure their effective implementation.

Risk Monitoring: A supply chain security risk tracking and management mechanism is established to continuously monitor, measure, analyze, and evaluate both process performance and outcome effectiveness at regular intervals.

Metrics & Targets

Category	Indicators	Fiscal Year Progress
Supply Chain Security	The Supplier Integrity Agreement signing rate remains at 100%	All suppliers have signed the agreement during the reporting period
	We have established an ESG Supplier Management Framework, encompassing admission, screening, evaluation, and feedback mechanisms, to ensure compliance with our Supplier Code of Conduct and foster a sustainable, secure, and resilient supply chain.	Environmental protection, quality management, occupational health and safety, and anti-corruption and anti-bribery measures have been integrated into the supplier lifecycle management process. Green and low-carbon factors are included in supplier evaluations. During the reporting period, the Company obtained the green supply chain management system certification.
	We prioritize supply chain security risk management by systematically identifying potential risks, implementing contingency plans, and continuously advancing Business Continuity Management (BCM) capabilities.	In 2022, the Company initiated Business Continuity Management (BCM) development and implemented strategic reserves for critical materials. During the reporting period, no material shortages occurred.

4.6.2 Supplier Management and Performance Evaluation

By leveraging the Supplier Relationship Management (SRM) platform, the Company has established a stable and reliable procurement and supplier management system. The Company comprehensively implements the environmental/occupational health and safety system and progressively implements green supply chain and energy management systems among key suppliers to advocate green, low-carbon and sustainable development. Strictly implement the supplier access conditions, including supplier's environment, occupational health and safety systems construction (ISO14001, ISO45001), green supply chain management system construction, and safety accidents incorporated into the scope of assessment. Pay attention to whether supplier's products meet environmental protection and health and safety standards, such as Rohs certification related to electronic and electrical products, relevant "Asbestos-Free Declaration" signed for plastic and rubber products, as well as the "Conflict-Free Minerals Commitment", "Safety and Environmental Protection Agreement", the "Supplier Environmental Occupational Health and Safety Management Instructions", "Product Hazardous Substance Exemptions", "Declaration of Compliance for Restricted, Controlled, and Prohibited Substances", "Declaration on Product Reuse, Remanufacturing, and Recycled Materials" and other documents signed for newly introduced suppliers. Carry out the supplier evaluation at least once every year. Different management punishment mechanisms are formulated according to different types of suppliers, and suppliers are guided to the direction of sustainable cooperative development of green, environmental protection and health.

During the reporting period, more than 283 suppliers were evaluated for performance, and 2 suppliers were downgraded to unqualified suppliers because they failed to meet the performance evaluation standards, and the cooperation was terminated.

4.6.3 Supplier Sustainability Training

Regular training sessions on health, safety, and environmental protection are conducted for suppliers involved in on-site inter-cabinet wiring, and factory-based services. During the reporting period, 5% of suppliers in inter-cabinet wiring, transportation, and packaging sectors participated in these training.

4.6.4 Equal Treatment of Small and Medium-Sized Enterprises

Sticking to the principles of fairness and justice, the Company treats all small and medium-sized enterprise partners with equity and adheres to all applicable laws and regulations to ensure the compliance of its supply chain collaborations. Payables (including promissory notes) during the reporting period do not exceed RMB 30 billion or 50% of total assets

4.6.5 Supply Chain Security and Stability

To address supply, demand, logistics, and information failures caused by sudden shifts in natural, social, economic, or policy environments, the Company has formulated the Supply Chain Contingency Plan, which defines emergency response procedures, enhancing the Company's emergency response capacity for order fulfillment and material security. Since 2022, the Company has implemented a Business Continuity Management (BCM) framework to enhance risk identification and emergency response mechanisms, strengthening its resilience to operational risks. No material shortages occurred during the reporting period.

4.6.6 Conflict Minerals

SUPCON is committed to responsibly sourcing tin, tantalum, tungsten, gold, cobalt, and other mineral resources, integrating conflict minerals management into supplier certification and procurement processes. SUPCON conducts onboarding surveys regarding conflict minerals to promote and reinforce its management requirements among suppliers. SUPCON requires suppliers to refrain from procuring conflict minerals and sign the Conflict-Free Mineral Commitment. All metal-containing raw materials procured by SUPCON are conflict-free and adhere to DRC Conflict-Free standards. Meanwhile, suppliers are required to adopt the same due diligence measures and collaborate with upstream and downstream partners to ensure a conflict-free supply chain. The Company publishes its conflict mineral management statement on its official website and requires suppliers to sign the Conflict-Free Mineral Commitment during onboarding and introduce conflict-free commitments and breach of contract liabilities into procurement contract and framework agreement templates.

4.7 Social Contribution

4.7.1 Employment Generation

During the reporting period, the Company created approximately 600 new jobs. The Company has provided nearly 200 employment opportunities for university graduates in 2026.

In such forms as Campus Open Days, university-specific recruitment fairs, and talent exchange expos, the Company has conducted recruitment and engagement activities with over 30 universities, including Zhejiang University, Xi'an Jiaotong University, Beijing University of Chemical Technology, and Harbin Institute of Technology. These activities have expanded its campus recruitment channels, fostered school-enterprise collaboration, and facilitated employment for university graduates.



4.7.2 Actions for the Public Good

For 22 consecutive years, the Company has organized the "Blood Donation for July 1st" event

In 2025, a total of 10,620 ml of blood was collected. This 22-year philanthropic initiative has become a hallmark of SUPCON's active engagement in public welfare and commitment to corporate social responsibility.

Summer Cooling Initiative for Workers in New Forms of Employment

To fulfill social responsibility and spread its humanistic care, SUPCON launched a month-long charity drinking water donation. Charity Water Stations were set at industrial park gatehouses, providing free mineral water to couriers, food delivery riders, and other workers in new forms of employment. This initiative embodies the original mission of "A bottle of water and a touch of compassion cool the whole city."

Caring for and Safeguarding Children with Special Needs

- ☑ From the first encounter in 2006 to 18 years of continuous support by 2025, SUPCON's concern for hearing-impaired children has evolved into an annual commitment. In December 2025, 38 volunteers visited the Hangzhou Love Deaf Children's Language Training Center, delivering a warm and heartfelt public welfare interaction to bring lasting goodwill to the children's "world of sound."
- ☑ On the 18th "World Autism Awareness Day," the SUPCON "Firefly" Volunteer Association, in collaboration with the Hangzhou Xihu District Disabled Persons' Federation, hosted a themed event titled "Hello, Star Friends." With parent-child interactive "Balloon Relays" and the "Spring Concert" music therapy session, the event bridged hearts through games and music, helping "children of the stars" gradually find their own "starlight."
- ☑ Coordinating with multiple organizations including the Xihu District Disabled Persons' Federation, Xixi Sub-district Disabled Persons' Federation, Women's Federation, and the Hangzhou Xihu District Bei'ai Childhood Rehabilitation Guidance Center, the SUPCON "Firefly" Volunteer Association hosted the National Disability Day themed event, "Caring for the Disabled For a Better Future," along the shores of West Lake.

"Building a Green Ecosystem, Safeguarding Beautiful Forests" Public Welfare Activity

- ☑ On the 47th Arbor Day, the SUPCON "Firefly" Volunteer Association cooperated with the Xinhe Community and the He Tian Shang Cheng Branch of Qianjiang Bay Kindergarten to organize the "Big Hands Holding Small Hands, Planting Trees of Hope" Lei Feng-themed volunteer tree-planting event. Over 30 volunteers, both adults and children, planted saplings in Liuhe Park. Through the collaborative community-enterprise initiatives and joint Party-masses efforts, the event gave children the opportunity to connect with nature while fostering ecological awareness that gradually takes root within them.
- ☑ The SUPCON "Firefly" Volunteer Association has continued to carry out the "Mountain Cleaning Initiative." In 2025, it organized 7 sessions involving over 70 participants, totaling 150 service hours. The initiative cleared over 200 kg of mountain waste and patrolled more than 50 km of green trails.

"Education Support" Public Welfare Initiative

- ☑ The "Books for Vegetables" charity event and "Love Post" recycling fair collected 452 high-quality books and 130 pieces of clothing. With donors' goodwill, these donations were delivered across regions to the Rural Revitalization Office of Lanzhou University to be distributed to children in mountainous areas.
- ☑ The SUPCON "Firefly" Volunteer Association organized the "Clothing for Care and Warmth" donation activity. Carrying the concern of SUPCON employees, twenty crates of supplies were delivered across thousands of miles to Qiandongnan in Guizhou and Yulin in Shaanxi, meeting local children's needs for warm winter clothing while conveying aspirations for a better life.

Empowering science and education through public welfare, fulfilling responsibilities through action.

- ☑ During the reporting period, the company donated a total of RMB 3.422 million to the Zhejiang University Education Foundation and the China University of Petroleum Education Foundation. These funds were used to support university students' innovation and entrepreneurship activities, reward outstanding university teachers and students, and provide financial assistance to retired elderly teachers as well as currently employed teachers facing economic difficulties.
- ☑ The company also donated teaching equipment and software to Huazhong University of Science and Technology, Qingdao University of Science and Technology, and Ocean University of China, with a total value of approximately RMB 9.3856 million, in support of the national strategy of revitalizing the country through science and education.
- ☑ In addition, the company donated relevant products and equipment to institutions such as the China Computer Museum and the Intelligent Instruments and Robotics Application Science Popularization Base, for museum exhibitions and base-based science education purposes respectively.
- ☑ The company continues to support rural revitalization and assist the development of education in remote or underdeveloped areas. In collaboration with the Zhejiang Zhihang Education Foundation, it has carried out targeted technology-assisted education programs.
- ☑ In 2025, the "Chunji Corridor" of SUPCON Technology, recognized for its profound industrial heritage and scientific popularization value, together with the innovation of industrial AI at the Technology Experience Center, was awarded the title of "New Quality Productivity Science Popularization Base of Hangzhou." This recognition marks SUPCON Technology as an important hub for science outreach activities led by social forces, contributing to the advancement of scientific literacy among the general public.
- ☑ During the reporting period, the company welcomed the summer practice team of the Class of 2024 from the Department of Chemical Engineering at Tsinghua University, the Zhejiang University branch of the National University Science Camp for Youth, as well as several summer camp groups from community primary and secondary schools.



4.8 Ecosystem Sharing

4.8.1 Ecosystem Collaboration

Focusing on customer needs and the core objectives of "safety, quality, low carbon, and efficiency", SUPCON continuously advances technological and business model innovations, injecting tremendous momentum into ecosystem development. The Ecosystem Construction Strategic Plan (2024—2026) is implemented. Through a new ecological strategy aiming to "drive development, growth, and transformation through ecosystems," the Company has established a coordinated, well-regulated, and efficient partnership framework with ecosystem partners. The channel ecosystem continues to be reinforced.



The Company hosted a technical salon themed "Ethernet-APL Technology and APL Ecosystem Development for Process Industries."



Strategic partnerships were signed with ecosystem partners to collaboratively accelerate the promotion and application of Industrial AI.



The Company hosted the first "SUPCON Cup" Industrial AI Innovation Challenge and released the Initiative for Industry-University-Research Collaborative Innovation in Industrial AI.

4.8.2 Enhancing Brand Influence

With technological innovation and industrial contribution as its foundation, the Company adheres to a sustainable communication philosophy, actively building an open, transparent, and responsible brand engagement system. Through professional and systematic industry dialogues, the Company has built long-term trust with customers, partners, and stakeholders, contributing to industrial advancement and social progress.

Driving industrial exchange and collaboration and continuously reinforcing brand leadership.

Following the communication principles of authoritative leadership, deep industry engagement, value co-creation, and scenario-based solutions, the Company makes unremitting efforts to build and enhance its credibility and influence in professional domains. Through a series of open events including the TPT Global Launch, AOP Practice Achievement Exchanges, and the Industrial AI Promotion Conference, the Company systematically displays its technological explorations and implementation results in the field of Industrial AI while sharing practical experience with industry peers.

The Company engages with key domestic and international industry platforms, boosting industry progress with professional dialogue. Through exchanges on industrial intelligence and sustainable development pathways with global partners, it promotes the intensive and responsible integration of AI technology into industrial scenarios, continuously enhancing its professional influence and recognition.



Advancing the industry with expertise and driving knowledge sharing

The Company actively promotes the dissemination of industrial knowledge and adoption of technologies, catalyzing the advancement of overall digitalization in the industry. In 2025, through specialized channels such as industry-vertical platforms and technical communities, the Company shared high-value content including technical analyses, practical case studies, and industrial insights, establishing deep connections with professionals in the process industry. Throughout the year, the Company provided support to over 20,000 TPT users and more than 6,000 corporate users. With annual SCADA installations exceeding 40,000 sets and 20,000 new users, the Company secured a top-three position in the domestic SCADA software market with its market influence and shipment volume while continuously contributing to the adoption and deeper application of foundational digital tools in the industry.

V. Topics on Governance in Sustainable Development



Upholding the principles of compliant operation and flourishing with integrity, the Company abides by all applicable laws and regulations and enhances its transparent and efficient internal control and decision-making mechanisms, establishing a compliance framework that covers anti-corruption, anti-commercial bribery, and anti-unfair competition. Meanwhile, the Company uses digital and intelligent tools to enhance governance efficiency and ensures its long-term and stable operation, advancing sustainable development with stability and foresight through responsible governance practices.

5.1 Board of Directors

5.1.1 Board Diversity

The Company places a strong emphasis on board diversity and takes into consideration multiple factors when selecting directors, including gender, age, professional background, academic qualifications, and educational experience, to achieve a scientifically balanced and well-structured board composition.

The Company's board comprises of members with diverse professional backgrounds, possessing extensive expertise in corporate management, process industry, intelligent systems and robotics, law, and finance. The board includes one foreign expert, three esteemed university professors, one legal expert, three senior industry executives, and 1 female director, leveraging their specialized knowledge to support corporate decision-making.

5.1.2 Board Independence

The board consists of eight members, including three independent directors, accounting for 37.5% of the total. External directors constitute six members, representing 75% of the board. There is one employee representative director, representing 12.5% of the board. The board has established specialized committees, with the Compensation and Evaluation Committee, the Audit Committee, and the Nomination Committee all chaired by independent directors, who make up two-thirds of each committee's composition. The Company has implemented and continuously refined a dedicated meeting mechanism for independent directors, further reinforcing their role in reviewing critical corporate matters. This ensures independent directors effectively contribute to decision-making, oversight, and professional consultation, strengthening the board's supervisory and advisory functions.

5.1.3 Investor Relations and Information Transparency

The Company continuously enhances investor relations management, adhering to a value-oriented information disclosure philosophy while improving disclosure quality and transparency. The Company has received the highest rating (A-level) for three consecutive years from the Shanghai Stock Exchange for its disclosure work as a listed company.

During the reporting period, the Company held or participated in eight earnings calls and investor open days, organized and attended over 200 investor engagement activities, and hosted more than 2,500 institutional investors. The Company organized the first institutional investor site visit to customer factories to showcase industrial AI's value and enhance its tangible perception with the aim to promote the commercialization of industrial AI and the dissemination of its industrial value.

5.2 Anti-Bribery and Anti-Corruption

Maintaining an internal environment featuring transparency and integrity, the Company has established an anti-commercial bribery and anti-corruption governance system centered on the Integrity Committee, strengthening its compliance. During the reporting period, the Company investigated and processed a case of occupational encroachment committed by an internal employee in collusion with an external entity. The case was transferred to judicial authorities in accordance with the law. The Company adopts a zero-tolerance policy toward all forms of corruption, with rigorous accountability and no tolerance, and holds responsible parties strictly accountable under applicable laws, regulations, and corporate policies. With a firm resolve to "investigate every lead and punish every violation," it continues promoting a corporate culture of integrity.

Governance:

The organizational structure of the Ethics and Integrity Committee is consistently updated and optimized. The Committee is led by the senior vice president as chairperson and comprises heads of key departments including Legal and Compliance, Human Resources, and Internal Audit, establishing an integrity governance system led by senior management and coordinated among multiple departments.

Overseeing the Company's end-to-end anti-bribery management, the Committee deepens integrity and anti-bribery compliance education, reinforces awareness of self-discipline and baseline compliance thinking among all employees and leverages its core functions in supervision, disciplinary enforcement, and risk assurance. Anti-bribery and anti-corruption criteria have been integrated into the performance evaluation system for all employees. The Company has set annual goals for business ethics and compliance management, and linked them to the performance metrics of each business unit.

Strategy:

Through systematic analysis and mapping, commercial bribery and corruption risks are categorized into three levels based on severity:

Tier 1 Risk

Conduct that, if occurred, may violate national laws and lead to severe legal consequences. This encompasses violations that could breach national statutes, cause significant social impact, or constitute criminal offenses subject to judicial sanctions.

Tier 2 Risk

Conduct that, if occurred, may violate administrative regulations and lead to serious administrative penalties or civil liabilities. Although the potential consequences are less severe than Tier 1, such risks should still be given a high level of priority and vigilance.

Tier 3 Risk

Conduct that, if occurred, may result in minor disciplinary or compliance violations, typically subject to internal company handling. Although they are less severe than the former two, these risks still demand serious attention.

Impact, Risk, and Opportunity Management:

Targeting three categories of critical risks including commercial bribery and corruption, the Company has established end-to-end risk prevention and control measures focusing on high-risk operational areas such as product sales and material procurement. Core compliance documents such as the Administrative Measures for Violations and Non-compliance have been updated to fortify the institutional defense. Personnel taking key positions in sales and procurement are required to sign the Integrity Commitment at critical milestones such as onboarding and internal transfers to enhance individual accountability. A specialized commercial bribery review has been integrated into the sales and procurement contract appraisal process to enable the comprehensive identification and proactive prevention of bribery risks in business contracts. All personnel are required to adhere to the compliance boundaries and fully refrain from any form of commercial bribery or regulatory violation.

The "Whistleblower" protection policy has been formulated. SUPCON prohibits discrimination, retaliation against or harassment of any person who makes a good faith report or complaint in accordance with the Company's compliance policy or other relevant laws and regulations, and prohibits discrimination, retaliation against or harassment of persons involved in the investigation of such report or complaint. SUPCON provides effective protection of information disclosed during the whistleblowing process, whether violations are reported under real name or anonymously. Any individual found to have discriminated against, retaliated against, or harassed a whistleblower will be subject to the Company's severe disciplinary action.

Indicators and Targets:

Category	Indicators	Fiscal Year Progress
Business Ethics Management	Regular business ethics training is conducted to ensure 100% participation	During the reporting period, training on business ethics was conducted with 100% participation

5.3 Anti-Unfair Competition

5.3.1 Trade Secrets and Export Compliance

During the reporting period, the Trade Secrets Management Committee was updated and optimized. The Committee is chaired by the Assistant to the President, with the head of technical department as the vice chairman, and designated business unit representatives serving as trade secret managers. Thus a top-down, clearly accountable, and well-coordinated trade secret management system was established.

The Trade Secret Management Committee is responsible for the formulation, revision, and overall coordination of the company's trade secret management systems, ensuring that confidentiality management operates in a standardized, efficient, and closed-loop manner. Adhering to the Company's requirements, heads of trade secret management in all departments comprehensively identify, classify, and organize their departments' information. They establish and dynamically update departmental trade secret catalogs, which are then timely submitted to the Committee. These rigorous, standardized, and professional measures reinforce the Company's trade secret security defense.

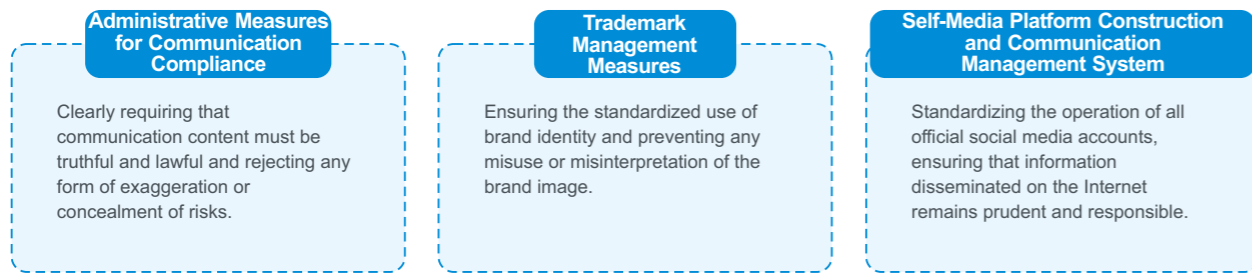
The Company consistently strengthens its confidentiality management under the principles of high prioritization and stringent control. The Company has formulated the Trade Secret Compliance Manual and optimized the online "Trade Secret Declaration" process. By releasing the Notice on the 2025 Trade Secret Declaration, the Company coordinate all levels to comprehensively and proactively declare their trade secrets, which are subject to the Committee's centralized audits, strict oversight, and closed-loop management to ensure precise identification and protection throughout the entire process. These institutionalized, process-oriented, and standardized measures have strengthened the Company's protection for its trade secrets.

5.3.2 Responsible Marketing

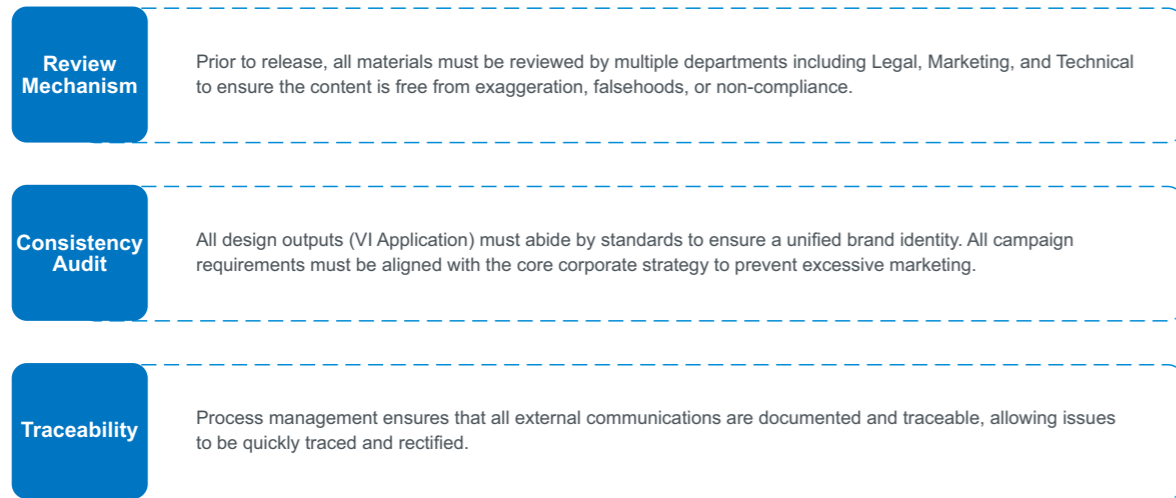
SUPCON's marketing activities aim to build an ecosystem, where the Company and its customers can thrive together, through innovative service models. The Company is deepening the construction of its "PlantMate Offline 5S Stores + PlantMart Online Mall" one-stop service model. The 5S integrates Sales store integrates five major functions including Sales, Service, Spare parts, Specialists, and Solutions, significantly shortening the service radius and response times. Local experts and a transparent online platform are employed to ensure that customers receive authentic and timely support throughout the pre-sales, sales, and after-sales stages, avoiding misleading marketing practices involving excessive pre-sale commitments and failure to fulfill them post-sale.

Source control: A "single source of truth" principle has been established to prevent information distortion. Based on the "single source of truth," all external communications of the Company should strictly adhere to requirements of the SUPCON External Communications Standards, and SUPCON Official Presentation Templates to eliminate exaggerated claims.

Compliance first: Integrating communication conduct into the corporate legal framework. The Company has established several specific internal management policies such as the Administrative Measures for Communication Compliance, Trademark Management Measures, and the Self-Media Platform Construction and Communication Management System to transform "responsibility" from a moral expectation to a formal institutional constraint.



Closed-Loop Process: Eliminating space for “excessive marketing” through standardized workflows. Every marketing initiative and communication material must undergo a standardized approval before publication.

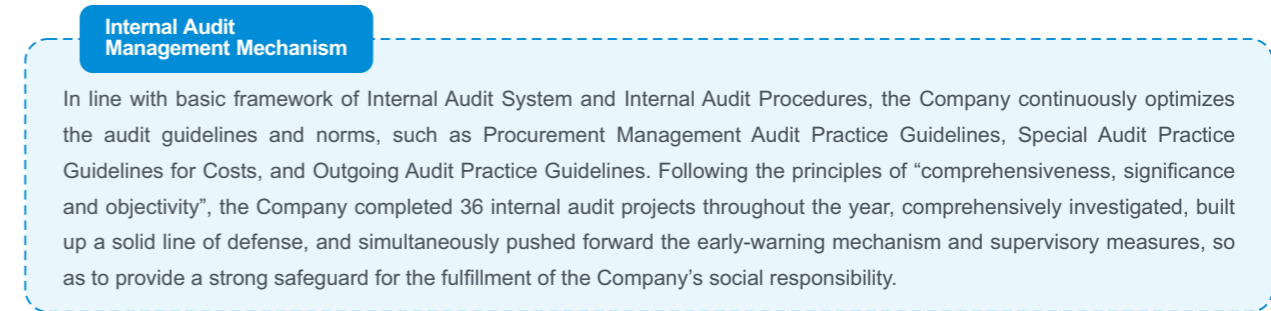
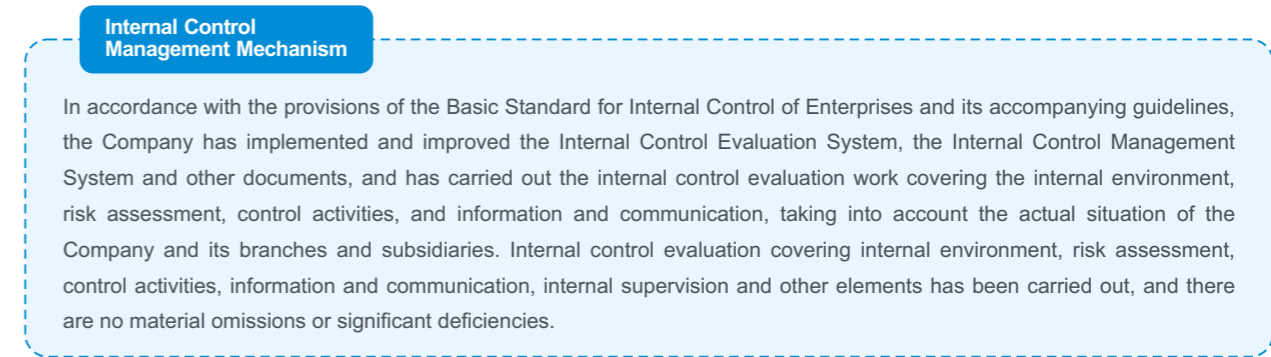


Target Indicators

Performance of Anti-unfair Competition Management	Unit	2025年	2024年	2023年	2022年
Amounts involved in litigation or significant administrative penalties resulting from the Company's unfair competition during the reporting period	10,000 RMB	0	0	0	0

5.4 Internal Control

ESG management evaluation has been integrated into the internal control framework, and environmental, social and governance factors have been incorporated into the daily operation and management processes, so as to enhance the Company's ESG practice capability and accelerate its integration into the new high-quality development pattern.



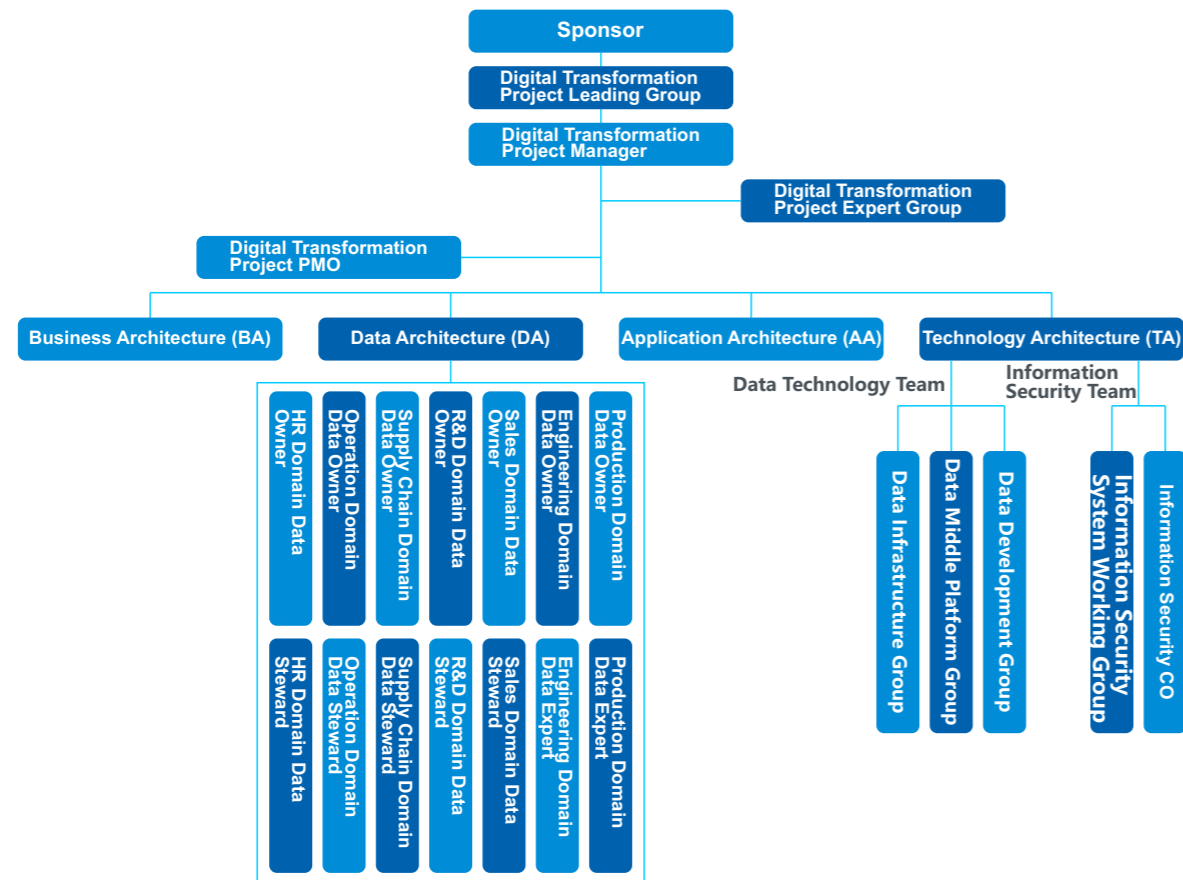
5.5 Digital Intelligence Empowerment

5.5.1 Strategic Planning for Digital Transformation

Governance:

Departments for Digital Planning and Management, Delivery, and Data have been established to implement the Company's digital transformation. The Process and IT Management Department is responsible for formulating the corporate digital transformation strategy while establishing and optimizing the digital architecture of the joint-stock company. In line with the requirements of the Company's change and management, it coordinates process management and optimization, IT planning and governance, and information security and infrastructure management. SUPCON has built a centralized internal technical foundation to support the primary delivery of the Company's digital transformation. Externally, it has established a corporate strategy, a business direction, and a product plan to extend its digital capabilities to the market. By developing digital products and holistic solutions, it creates new value for customers while reshaping the operation management model and customer-centric business model of the joint-stock company. The Data Asset Management Department coordinates the Company's data assetization, establishing a data management framework and governance system. By leading the exploration, implementation, and promotion of diverse data applications, it harnesses data value to advance the Company's overall digital transformation.

Structure of digital transformation project working group:



Construction and improvement of the governance system:

By refining, evolving and digitizing the QA mechanism of projects, the Company optimizes the management of project initiation and milestones, as well as the allocation of digital resources and their ROI. In combination with the systematic upgrade of the Integration of Informatization and industrialization/digital management system and the integration of the AI management system, the Company has systematically revised its full range of processes and policies based on the new requirements.

Strategy:

Through the establishment of sound system documents, including: Management Measures for Data Strategic Planning, Strategic Planning for Technical Data of China SUPCON (2023-2025), Management Measures for Digital Requirements, Procedures for Change Management of IT Operation and Maintenance, Specification for Data Warehouse Models of China SUPCON, Specification for Development of Data of China SUPCON, Framework for Data Management of China SUPCON and so on. General Outline of Technical Data Management for SUPCON, Specification for Indicator Data Management, etc., we have effectively identified and responded to the risks and opportunities in the process of the Company's digital transformation.

Risk Analysis of Digital Intelligence Empowerment:

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Digital Transformation Risks	The digital transformation strategy may fail to align with the Company's overall strategy, leading to an ineffective implementation of the digital strategy. Alternatively, insufficient resources for digital implementation or changes in project requirements/scope may cause delays in digital project delivery (in the short to medium term).	Low	High	Potential increase in operational costs	<ul style="list-style-type: none"> Develop a digital transformation plan each year, ensuring alignment with the Company's strategic goals and strictly adhering to project management standards. Rely on digital transformation management systems to regulate the digital development process. Regularly assess digital projects on an annual basis, with bi-weekly reviews of digital project status.

Impact, Risk, and Opportunity Management:

Digital transformation involves technological, business, organizational, process, and cultural dimensions. Effective management of risks in the digital transformation process can be achieved through the creation of benchmark cases, adherence to relevant standards and regulations, systematic management, and the establishment of a risk-tiered control and hazard inspection system.

Risk Identification: Risks and opportunities are fully identified through expert discussions, industry benchmarking, brainstorming, and other approaches, forming a risk register. By following a path of organizational leadership, institutional support, and systematic advancement, the alignment of the Company's digital transformation with its overall strategic development is ensured.

Risk Analysis: Risks and opportunities related to digital intelligence empowerment are analyzed and evaluated based on the likelihood and severity of their occurrence. Quantitative risk assessment metrics are established according to the frequency of negative events, and a risk priority ranking is developed.

Risk Response: The management of digital intelligence empowerment risks is integrated into the Company's operational management system, ensuring effective prevention of various risks related to digital intelligence empowerment. For Example:

- Designate a specific team or department to manage the Company's data asset management, establish a data management framework and governance system, and organize the exploration, realization, and promotion of various data applications to unlock the value of data and drive the Company's comprehensive digital transformation.
- Establish an ITBP (IT Business Partner) mechanism to promote the adoption of the "ALL in AI" strategy across business domains; continuously optimize the intelligent agent construction platform; utilize the combination of business domains and AI agents to support cost reduction and efficiency improvements.
- Focus on the Company's core operational processes, create AI application scenarios, and launch AI products such as the SUPCON intelligent query, AI bid proposals, and AI engineering logs. Ensure widespread AI tool and application adoption across the Company to enhance operational efficiency.

Risk Tracking: Establish a risk tracking management system for digital intelligence empowerment; conduct annual inspections and bi-weekly project reviews to ensure effective responses to risks related to digital intelligence empowerment.

Metrics & Targets

Category	Indicators	Fiscal Year Progress
Digital Governance	With the vision of digital transformation as our direction and the "612" model as our implementation framework, we execute six key measures to fully realize smart SUPCON	During the reporting period, the Company aligned with the requirements of the integration of informatization and industrialization 3.0 / digital transformation management system and achieved an industry-leading AAAA-level capability certification.
	The Company has met the DCMM Data Management Capability Maturity Quantitative Management Level standard and successfully built industry-leading data management capabilities	The Company passed DCMM Level 4 certification, and our data management capability was significantly improved
	In alignment with the Company's comprehensive data strategy and planning, we have defined specific goals for data element construction, create relevant capabilities, frameworks, and organizational structures, and investigated data and AI-driven business models	We are committed to advancing data element construction across three critical areas: data foundation, data applications, and data governance, thereby unlocking the full value of our data assets

5.5.2 Digital Transformation Initiatives and Outcomes

Deeply integrating cutting-edge AI technologies, the Company focuses on the development and application of the HGT large model and its associated products, established hypergraph reasoning and reinforcement learning capabilities involving people, finance, matters, and objects across its operations and launched AgentBuilder, an open and compatible AI application construction platform featuring diverse BaseAgent. In the BA software sector, the Company has released multi-scenario AI Agents and promoted company-wide scenario identification, autonomous configuration, and implementation, aiming to foster an incorporate culture where everyone is an AI engineer to significantly enhancing operational and management efficiency. The Company heavily invests digital resources into key domains such as operational automation, subscription model, global expansion, and financial transformation, yielding phased milestones. Meanwhile, the Company strengthens data governance and management and consistently advances "deep-water" initiatives such as data architecture refreshes and core data warehouse reconstruction. AI applications including Zhiwen 5.0, Meeting Agents, Sales Agents, Procurement Agents, and R&D Programming Assistants have been rolled out.

By upgrading its information security management mechanisms and releasing the Information Security White Paper, the Company strives to implement R&D security domain isolation and the reduction of Internet-facing attack surfaces and strengthen access control and perimeter defense, achieving proactive risk detection and closed-loop remediation. Meanwhile, it furthers the centralized control and dynamic scheduling of IT infrastructure resources and constructs efficient computing power clusters and resource recycling/reallocation mechanisms, reducing cost continuously while balancing resource utilization with security requirements.

During the reporting period, the Company aligned with the requirements of the integration of informatization and industrialization 3.0 / digital transformation management system, the Company achieved an industry-leading AAAA-level capability certification. An AI management system covering the entire process of AI applications in digital transformation has been introduced.



VI. Closing Remarks

KPI Statement

Economic Performance

Economic Indicator	Unit	2025	2024	2023
Operating income	RMB	8,072,577,675.26	9,138,514,049.21	8,619,910,802.44
Basic earnings per share	RMB	0.56	1.42	1.44
Net profit attributable to shareholders of listed companies	RMB	441,478,911.02	1,116,986,722.13	1,101,763,732.92
Net profit attributable to shareholders of listed companies after deduction of non-recurring gains and losses	RMB	330,789,148.14	1,037,617,760.39	947,493,611.35
Net cash flows from operating activities	RMB	377,243,050.14	433,952,564.82	191,430,934.79
Weighted average net-assets yield	%	4.33	11.14	13.70

Environmental performance

Quantitative disclosure Matter	Unit	2025	2024	2023	2022	Formula	Source/Basis of Parameters
Total Greenhouse Gas Emissions ⁵	tCO ₂ e	535,892.81	279,986.3	/	/	Total GHG emissions = Scope I emissions during the reporting period + Scope II emissions during the reporting period + Scope III emissions during the reporting period	/
Scope I Greenhouse Gas Emissions ⁶	tCO ₂ e	3264.89	2,813.53	1,049.63	849.62	Scope I Emissions = natural gas flaring emissions+ gasoline flaring emissions + diesel flaring emissions + fugitive emissions from refrigerants + fugitive emissions from septic tanks + fugitive emissions from carbon dioxide gas shielded welding + fugitive emissions from test gases during the reporting period	ISO 14064-1:2018 Greenhouse gases Part 1: Specifications and Guidelines for the Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level
Scope II Greenhouse Gas Emissions ⁷	tCO ₂ e	10,539.97	9,016.46	9,085.00	8,118.45	Scope II Emissions = indirect emissions from purchased electricity + indirect emissions from purchased heat during the reporting period	

⁵The gaseous constituents of the atmosphere, both naturally occurring and resulting from human activity, capable of absorbing and emitting radiation generated by the Earth's surface, atmosphere and clouds at wavelengths within the infrared spectrum Note: Greenhouse gases include carbon dioxide (CO₂) methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆)

⁶Scope I Greenhouse Gas Emissions are direct GHG emissions: GHG emissions from sources of GHGs owned or controlled by an organization

⁷Scope II Greenhouse Gas Emissions are indirect GHG emissions: GHG emissions resulting from the production of external electricity, heat or steam consumed by an organization

Quantitative disclosure Matter	Unit	2025	2024	2023	2022	Formula	Source/ Basis of Parameters
Scope III Greenhouse Gas Emissions ⁸	tCO ₂ e	522,087.95	268,156.33	/	/	Scope III Emissions = emissions from Category 1 + emissions from Category 2 + emissions from Category 3 + emissions from Category 4 + emissions from Category 5 + emissions from Category 6 + emissions from Category 7+ emissions from Category 13	/
Category 1 ⁹	tCO ₂ e	501,419.66	238,834.47	/	/	Emissions from purchased goods and services = \sum (Volume of goods purchased * Emission factor for purchased goods or services)	China Product Life Cycle Greenhouse Gas Emission Factor Set (2022), China Product Life Cycle Greenhouse Gas Emission Factor Library (https://ca.cityghg.com), Ecoinvent 3.10 database, etc.
Category 2 ¹⁰	tCO ₂ e	1,317.55	1,216.53	/	/	Emissions from capital goods = \sum (Volume of capital goods purchased * Emission factor of capital goods purchased)	
Category 3 ¹¹	tCO ₂ e	2,227.91	3,268.53	/	/	Emissions from fuel and energy-related activities = \sum (Fuel consumption * upstream fuel emission factor) + \sum (Electricity consumption * upstream electricity emission factor) + \sum (Electricity consumption * transmission and distribution losses emission factor)	
Category 4 ¹²	tCO ₂ e	3,805.01	10,325.65	/	/	Emissions from upstream transport and distribution = \sum (weight of goods purchased * mileage transported * mode of transport or vehicle type emission factor)	
Category 5 ¹³	tCO ₂ e	721.11	469.75	/	/	Waste emissions generated from operations = \sum (Waste generated from operations * Specific emission factors for waste types and their treatment)	
Category 6 ¹⁴	tCO ₂ e	3,028.59	5,006.84	/	/	Business travel emissions = \sum (distance travelled by business travel transport mode * mode-specific emission factor)	
Category 7 ¹⁵	tCO ₂ e	677.05	703.39	/	/	Employee commuting emissions = \sum (total distance travelled by commute type * commute mode-specific emission factor)	
Category 13 ¹⁶	tCO ₂ e	8,891.06	8,331.15	/	/	Downstream leasehold emissions = \sum (Scope 1 & Scope 2 emissions per tenant)	

Quantitative disclosure Matter	Unit	2025	2024	2023	2022	Formula	Source/ Basis of Parameters
Greenhouse gas emissions (Scope 1 & Scope 2) per unit of revenue	tCO ₂ e/ 10,000 RMB	0.017	0.013	0.012	0.014	GHG emissions (Scope 1 & Scope 2) per unit of revenue = total GHG emissions (Scope 1 & Scope 2) for the reporting period / revenue for the reporting period	/
Greenhouse gas emissions reduced directly or indirectly by abatement measures	tCO ₂ e	2,746.62	2,194.9	/	/	Absolute values for the reporting period	/

Energy Utilization Performance

Quantitative disclosure Matter	Unit	2025	2024	2023	Formula
Combined Energy Consumption ¹⁷	tce	3,316.23	2,660.23	2,158.34	Comprehensive energy consumption = natural gas consumption * coal equivalent coefficient + petrol consumption * coal equivalent coefficient + diesel consumption * coal equivalent coefficient + electricity consumption * coal equivalent coefficient (converted to standard coal) ¹⁸
Of which: by type of energy					
Power	kW·h	18,872,446	16,208,481	15,014,200	Absolute values for the reporting period
Natural gas	m ³	577,797	332,670	86,529	Absolute values for the reporting period
Gasoline	L	193,763	223,947	191,809	Absolute values for the reporting period
Diesel	L	16,515	17,597	30,538	Absolute values for the reporting period
Direct energy consumption ¹⁹	tce	1,077.63	668.21	313.09	Direct energy consumption = natural gas consumption * coal equivalent coefficient + petrol consumption * coal equivalent coefficient + diesel consumption * coal equivalent coefficient
Indirect energy consumption ²⁰	tce	2,319.42	1,992.02	1,845.25	Indirect energy consumption = electricity consumption * standard coal conversion factor
Energy Consumption Intensity (level of consolidated energy consumption per unit of revenue)	tce/ RMB 10,000	0.0041	0.0029	0.0025	Energy Consumption Intensity = Consolidated Energy Consumption during the reporting period / Operating Revenue during the reporting period

¹⁷Comprehensive energy consumption: Total amount of various energy consumption converted to tons of standard coal during the reporting period

¹⁸Coal Equivalent Coefficient: Gasoline 1.4714kgce/ kg, Diesel 1.4571kgce/ kg, Natural Gas 1.33kgce/m³, Electricity 0.1229kgce/ kW·h. The coal equivalent coefficients for various substances are all sourced from the General Principles for Calculation of The Comprehensive Energy Consumption. (GB/T 2589- 2020)

¹⁹Direct Energy Consumption: Consumption resulting from the direct use of energy resources for production and living Including: petrol, diesel, natural gas, etc.

²⁰Indirect Energy Consumption: Energy consumption in the production and living processes that is not directly involved in the process but provides the necessary conditions for the completion of the process, including mainly electricity

⁸ Scope III Greenhouse Gas Emissions are other Indirect GHG Emissions: GHG emissions from sources of GHGs owned or controlled by other Organizations resulting from the activities of the Organization, excluding indirect GHG emissions from energy

⁹ Outsourced Goods and Services: pick-up, production and shipment of goods and services purchased or acquired during the reporting period (not included in the portion of Categories 2 to 8)

¹⁰ Capital Goods: extraction, production and transport of capital goods purchased or acquired by the reporting enterprise in the reporting year

¹¹ Fuel and Energy-Related Activities (portion not included in Scope I and Scope II): the extraction, production and transport of fuel and energy (portion not included in Scope I and Scope II) purchased or acquired by the reporting enterprise in the reporting year, including:

a. Upstream emissions from purchased fuels (extraction, production and transport of fuels consumed by the reporting enterprise)

b. Upstream emissions from purchased electricity (extraction, production and transport of fuel consumed for the production of electricity, steam, heating and cooling for the reporting enterprise)

c. Transmission and distribution (T&D) losses [production of electricity, steam, heating and cooling consumed (i.e. lost) in the T&D system] - reported by end-users

d. Production of purchased electricity sold to end-users (production of electricity, steam, heating and cooling purchased by the reporting enterprise and sold to end-users) - reported only by utilities or energy retailers

¹² Upstream transport and distribution: a. Transport and distribution of products purchased during the reporting period between the enterprise's first-tier suppliers and its own operations (using vehicles and facilities not owned or controlled by the reporting enterprise)

b. Transport and distribution services purchased by the reporting enterprise during the reporting year, including inbound logistics and outbound logistics (for products sold, for example), and transport and distribution between company-owned facilities (using vehicles and facilities not owned or controlled by the reporting enterprise)

¹³ Waste generated from operations: treatment/disposal of waste generated during the reporting period (facilities not owned or controlled by the reporting enterprise)

¹⁴ Business travel: Transportation of company employees in connection with business activities during the reporting period (using vehicles not owned or operated by the reporting enterprise)

¹⁵ Employee commuting: Transportation of employees of a company from their residence to their place of work during the reporting period (using vehicles not owned or operated by the reporting enterprise)

¹⁶ Downstream leased assets: Assets owned by the reporting enterprise (lessor) and leased to other entities that are not included in Scope 1 and Scope 2, and that were operated in the reporting year - reported by the lessor

Clean Energy Use

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Clean Energy Consumption (photovoltaic power generation)	kw·h	3,272,780	2,302,630	1,552,660	Absolute values for the reporting period

Resource utilization performance

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Total water consumption ²¹	m ³	91,489	62,743	53,200	Absolute values for the reporting period
Water consumption per unit revenue	m ³ /10,000RMB	0.113	0.069	0.083	Water consumption per unit of revenue = total water consumption during the reporting period / revenue during the reporting period
Total consumption of packaging materials used for finished products ²²	t	3,665	3,139	3,758	Absolute values for the reporting period
Proportion of recyclable materials in product packaging materials ²³	%	100	100	100	Proportion of recyclable materials in product packaging materials = Packaging materials made from recyclable materials during the reporting period / total amount of product packaging materials used during the reporting period

Waste emission performance

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
General industrial solid waste emissions ²⁴	t	1,209.42	1,098.7	1,065.5	Absolute values for the reporting period
Comprehensive utilization rate of general industrial solid waste ²⁵	%	100	100	100	Comprehensive utilization rate of general industrial solid waste (%) = comprehensive utilization of general industrial solid waste / (generation of general industrial solid waste in the current year + cumulative storage from previous years) x 100%
Emission of hazardous wastes ²⁶	t	25.81	35.46	35.69	Absolute values for the reporting period
Emission intensity of hazardous wastes	t/10,000RMB	0.000032	0.000038	0.000041	Hazardous waste emission intensity = Hazardous waste emissions during the reporting period / Operating income during the reporting period
Hazardous waste compliant disposal rate ²⁷	%	100	100	100	Hazardous Waste Compliance Disposal Rate = volume of hazardous waste disposed of compliantly during the reporting period / hazardous waste disposed during the reporting period
Total amount of recycled waste	t	974.42	337	526	Absolute values for the reporting period
Investment in environmental protection	10,000RMB	109.1	133.96	95.04	Absolute values for the reporting period

²⁴Solid wastes generated by the Company's production activities that are excluded from the National List of Hazardous Wastes and is not considered hazardous based on the national criteria for hazardous waste classification during the reporting period

²⁵The amount of general industrial solid waste that has been converted into usable raw materials, products or energy through recycling, processing, reuse and resourcing, as a proportion of the total amount of industrial solid waste generated during the same period

²⁶Waste that is listed in the National List of Hazardous Wastes or are identified as having one of the hazardous characteristics of explosiveness, flammability, oxidability, toxicity, corrosiveness, susceptibility to infectious diseases, etc., in accordance with the hazardous waste identification criteria and identification methods prescribed by the State

²⁷The amount of hazardous waste generated by an enterprise that was transferred to qualified disposal units through legal means and treated in an environmentally sound manner by means of disposal technologies (such as incineration, landfill, resource utilization, etc.) that complied with national standards accounted for the proportion of the total amount of hazardous waste generated during the reporting period

²¹Actual amount of water resources consumed by an enterprise's production and operation activities during the reporting period

²²Total use of packaging materials by an enterprise during the reporting period

²³Weight of material in packaging that can be efficiently recovered and reused in the production process by means of available technology as a percentage of the weight of the total packaging material

Employee Performance

Quantitative Disclosure Matter		Unit	2025	2024	2023	Formula
Total employees		Person	5,324	5,552	6,473	Absolute values for the reporting period
By gender	Male	Person	4,182	4,329	5,053	Absolute values for the reporting period
	Female	Person	1,139	1,223	1,420	Absolute values for the reporting period
By education	Below bachelor's degree	Person	954	1,093	1,572	Absolute values for the reporting period
	Bachelor's degree	Person	3,568	3,707	4,137	Absolute values for the reporting period
	Master	Person	762	721	736	Absolute values for the reporting period
	Doctor	Person	40	31	28	Absolute values for the reporting period
Categorized by nationality	Number of employees in China	Person	5,068	5,274	6,218	Absolute values for the reporting period
	Number of employees outside China	Person	256	278	255	Absolute values for the reporting period
Categorized by age	Total number of employees aged 30 and below	Person	1,461	1,831	2,446	Absolute values for the reporting period
	Total number of employees aged 31-50	Person	3,598	3,476	3,754	Absolute values for the reporting period
	Total number of employees aged above 50	Person	265	245	273	Absolute values for the reporting period
Proportion of women	Proportion of women in leadership positions	%	11.54	12.8	12.50	Total percentage of women in leadership positions = number of women in leadership positions during the reporting period / total number of employees in an enterprise *100%
	Proportion of female executives	%	12.5	12.9	13.80	Percentage of female executives = number of female executives during the reporting period / total number of employees of an enterprise *100%
	Proportion of women in R&D positions	%	23.84	23.4	20.90	Percentage of women in R&D positions = number of women in R&D positions during the reporting period / total number of employees of an enterprise *100%
Employee turnover rate	Employee turnover rate	%	15.63	22.44	19.50	Employee turnover rate = number of people who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
	Male employee turnover rate	%	15.2	22.52	19.70	Male employee turnover rate = number of male employees who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
	Female employee turnover rate	%	17.1	22.16	16.40	Female employee turnover rate = number of female employees who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
	Turnover rate of employees aged 30 and below	%	20.35	23.53	26.20	Turnover rate of employees aged 30 and under = number of employees aged 30 and under who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
	Turnover rate of employees aged 31-50	%	13.59	20.88	14	Turnover rate of employees aged 31- 50 = number of employees aged 31- 50 who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%

Quantitative Disclosure Matter		Unit	2025	2024	2023	Formula
Employee turnover rate	Turnover rate of employees aged above 50	%	17.63	36.17	21.70	Turnover rate of employees over 50 years of age = number of employees over 50 years of age who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
	Employee turnover in China	%	15.1	22.32	18.60	Turnover rate of employees in China = number of employees in China who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
	Employee turnover outside China	%	37.77	27.61	20.60	Turnover rate of employees outside China = number of employees outside China who left during the reporting period / (number at the beginning of the period + number at the end of the period / 2) * 100%
Labor contract signing rate		%	100	100	100	Employment contract signing rate = number of employees who signed employment contracts during the reporting period / total number of employees * 100%
Social insurance coverage		%	100	100	100	Social insurance coverage rate = number of employees contributing to social insurance during the reporting period / total number of employees * 100%
Number of paid annual leave per capita		day(s)	7	7	7	Number of paid annual leave days per capita = total number of paid leave days enjoyed by employees during the reporting period / total number of employees
Employee Satisfaction		%	99	99	99	Absolute values for the reporting period

Training Performance

Quantitative Disclosure Matter		Unit	2025	2024	2023	Formula
Investment in employee training		10,000 RMB	947	1,715	3,365	Absolute values for the reporting period
Training person-hours throughout the year		Number of participants * class hours	216,305	258,934	315,172	Absolute values for the reporting period
Training hours per person throughout the year		Hour	40.54	48.45	49.60	Annual per capita training hours = total training hours during the reporting period / total number of employees
Training coverage for male employees		%	66.21	70.07	89.73	Training participation rate of male employees = number of male staff trained / total number of male staff*100%
Average number of hours of training for male employees		Hour	20.55	17.97	21.86	Average hours of training received by male employees = total number of hours of training for male employees / total number of male employees
Training coverage for female employees		%	47.98	48.22	95.89	Training participation rate of female employees = number of female staff trained / total number of female employees*100%
Average number of hours of training for female employees		Hour	11.62	11.45	15.38	Average number of hours of training received by female employees = total number of hours of training for female employees / total number of female employees

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Training coverage for the leadership	%	92.73	63.30	86.39	Training participation rate of management = number of management trained / total number of management * 100%
Average number of hours of training for the leadership	Hour	31.04	37.12	35.48	Average number of hours of training received by management = total number of hours of training for management / total number of management personnel
Safety education & training coverage	%	100	100	100	Participation rate of safety education and training = number of employees participating in safety education and training / total number of employees*100%
Number of participants in occupational health training	Number of participants	13,603	12,558	/	Absolute values for the reporting period
Participation rate of occupational health training	%	100	100	/	Participation rate of occupational health training = number of employees participating in occupational health training / total number of employees*100%
Number of compliance training sessions	Number of participants	17,374	16,631	19,211	Absolute values for the reporting period
Number of participants in compliance training	%	100	100	100	Participation rate of compliance training = number of employees attending compliance training / total number of employees * 100%

Occupational Health and Safety Performance

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Occupational health examination rate of employees	%	100	100	100	Employee occupational health examination rate = number of employees participating in occupational health examinations during the reporting period / total number of employees
Cases of occupational disease diagnosis	Person	0	0	0	Absolute values for the reporting period
Occurrences of safety accidents	Occurrence	0	0	0	Absolute values for the reporting period
Work-related death toll in the recent three years	Person	0	0	0	Absolute values for the reporting period
Work-related mortality rate in the recent three years	%	0	0	0	Ratio of work-related deaths in the last three years = number of work-related deaths in the last three years / total number of employees
Total number of major safety hazards identified	Occurrence	0	0	0	Absolute values for the reporting period
Annual rectification rate of potential safety hazards	%	100	100	100	Annual rectification rate of potential safety hazards = Number of potential safety hazards rectified during the reporting period / Total number of potential safety hazards identified during the reporting period
Total investment in occupational health and safety	10,000 RMB	545.4	556.07	488.6	Absolute values for the reporting period

Product Quality and Service Performance

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Amount of money involved in major liability accidents damages related to safety and quality of products and services that occurred during the reporting period	10,000 RMB	0	0	0	Absolute values for the reporting period

Performance of Innovation as a Driving Force

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Amount of R&D investment	RMB	951,397,780.56	978,005,205.11	907,806,992.67	Absolute values for the reporting period
Ratio of the investment in R&D to the operating income	%	11.79	10.70	10.53	R&D investment ratio = (R&D investment during reporting period / operating revenue) * 100%
Number of R&D staff	Person	2,011	2,168	2,219	Absolute values for the reporting period
Ratio of R&D staff to total employees	%	37.77	39.05	34.28	Ratio of R&D personnel to total number of employees = R&D personnel / total number of employees during the reporting period * 100%
Number of trademark applications	Case	37	40	22	Absolute values for the reporting period
Number of approved trademarks	Case	16	8	21	Absolute values for the reporting period
Total number of valid invention patents	Each	711	745	669	Absolute values for the reporting period
Number of patents for inventions applied to the main business	Each	536	575	467	Absolute values for the reporting period
Number of new patent applications during the reporting period	Each	363	346	412	Absolute values for the reporting period
Number of new patents granted during the reporting period	Each	136	134	147	Absolute values for the reporting period

Social Welfare

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Amount of external donations	RMB	3,622,000.00	100,000.00	690,000.00	Absolute values for the reporting period
Value of externally donated goods	RMB	9,385,600.00	1,013,100.00	1,070,747.95	Based on third-party assessment reports

Sustainable Development Governance Performance

Corporate Governance Performance

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Number of board members	Person	8	7	7	Absolute values for the reporting period
Number of women in the board of directors (BOD)	Person	1	0	0	Absolute values for the reporting period
Percentage of female directors in the BOD	%	12.5	0.00	0.00	Percentage of female directors in the BOD = number of female members in the BOD / number of board members during the reporting period
Number of independent directors in the BOD	Person	3	3	3	Absolute values for the reporting period
Percentage of independent directors in the BOD	%	37.5	42.86	42.86	Percentage of independent directors in the BOD = Number of independent directors in the BOD / number of board members during the reporting period
Number of outside directors in the BOD	Person	6	6	6	Absolute values for the reporting period
Percentage of outside directors in the BOD	%	75	85.71	85.71	Percentage of outside directors in the BOD = number of outside directors in the BOD / number of board members during the reporting period
Number of general meetings of shareholders	Time	3	5	4	Absolute values for the reporting period
Number of board meetings	Time	6	9	8	Absolute values for the reporting period
Number of supervisory board meetings	Time	4	8	6	Absolute values for the reporting period
Number of meetings of special committees under the BOD	Time	12	15	12	Absolute values for the reporting period

Performance of Anti-commercial Bribery and Anti-Corruption

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Percentage of management personnel participating in anti-bribery and anti-corruption trainings	%	100	100	100	Percentage of management personnel participating in anti-bribery and anti-corruption trainings = Managers who participated in anti-commercial bribery and anti-corruption training during the reporting period / total number of management personnel
Anti-commercial bribery and anti-corruption training participants	Person	4,202	5,264	12,862	Absolute values for the reporting period
Participation rate of anti-commercial bribery and anti-corruption training	%	100	100	100	Participation rate of anti-commercial bribery and anti-corruption training = number of employees participating in anti-commercial bribery and anti-corruption training during the reporting period / total number of employees

Performance of Anti-unfair Competition Management

Quantitative Disclosure Matter	Unit	2025	2024	2023	Formula
Amounts involved in litigation or significant administrative penalties resulting from the Company's unfair competition during the reporting period	10,000 RMB	0	0	0	Absolute values for the reporting period

XII. Benchmarking index table

Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (for Trial Implementation) Benchmarking Index Table

Disclosure Requirements	Corresponding Section of The Present Report
Responding to Climate Change	3.1 Responding to Climate Change
Pollutant Emissions	3.3.2 Waste Disposal and Pollutant Discharge
Waste Disposal	3.3.2 Waste Disposal and Pollutant Discharge
Ecosystem and Biodiversity Conservation	falls under the disclosure topics of specific entities, and the Company is not involved at present. The Company places a strong emphasis on the environmental impact of its business operations and is dedicated to providing eco-friendly products; 3.3.1 Environmental Compliance Management 3.3.2 Waste Disposal and Pollutant Emissions 3.3.3 Water Resource Utilization and Circular Economy 4.5 Innovation as a Driving Force
Environmental Compliance Management	3.3.1 Environmental Compliance Management
Energy Utilization	3.3.4 Energy Utilization
Water Utilization	3.3.3 Water Resource Utilization & Circular Economy
Circular Economy	3.3.3 Water Resource Utilization & Circular Economy
Rural Rejuvenation	This falls under the category of subject-specific disclosure matters. As the company's core business operations do not encompass rural revitalization initiatives, our primary contribution to this cause is through social welfare programs. These include collaborating with foundations to support education in remote areas, among other initiatives. 4.7 Social Contribution
Social Contribution	4.7 Social Contribution
Innovation As A Driving Force	4.5 Innovation as a Driving Force
Science Ethics	The Company steadfastly adheres to technological ethics, prioritizes data privacy protection, and ensures R&D legality and compliance.
Supply Chain Security	4.6 Supply chain security
Equal Treatment of Small and Medium-Sized Enterprises	Payables (including promissory notes) during the reporting period do not exceed RMB 30 billion or 50% of total assets.
Product And Service Safety and Quality	4.3 Product and service safety and quality
Data Security and Customer Privacy Protection	4.4 Data Security and Customer Privacy Protection
Employees	4.1 Employees
Due Diligence	To further enhance its sustainability capabilities, the Company conducted due diligence activities during the reporting period. 1.3 Due Diligence and Stakeholder Communication
Stakeholder Communication	1.3 Due Diligence and Stakeholder Communication
Anti-Commercial Bribery and Corruption	5.2 Anti-Bribery and Anti-Corruption
Anti - unfair competition	5.3 Anti-Unfair Competition
Corporate Governance	I. Assessment of Topic Relevance, II. ESG Governance Framework, V. Topics on Governance in Sustainable Development
Digital Intelligence Empowerment	5.7 Digital Intelligent Governance

GRI (GRI 1: Foundation 2021) Guideline Index Table

GRI Standard	Disclosure	Related Clause
GRI 2: General Disclosure in 2021	2-1 Organization Details	(III) Company Profile
	2-2 Entities included in the sustainability report of the organization	(I) Report Specification
	2-3 Reporting period, reporting frequency and contact person	(I) Report Specification
	2-6 Activities, value chain and other business relationships	(III) Company Profile
	2-7 Employees	4.1 Employees
	2-9 Governance structure and composition	II. Corporate ESG Governance Framework 5.1 Board of Directors
	2-10 Nomination and selection of the highest governance body	II. Corporate ESG Governance Framework
	2-12 Oversight role of the highest governance body in terms of management influence	II. Corporate ESG Governance Framework
	2-13 Delegating responsibility for management influence	II. Corporate ESG Governance Framework
	2-14 Role of the highest governance body in sustainability reporting	II. Corporate ESG Governance Framework
	2-15 Conflict of interest	5.2 Anti-Bribery and Anti-Corruption
	2-16 Communication on key issues	1.3 Due Diligence and Stakeholder Communication
	2-25 Procedures for mitigating negative impact	I. Assessment of Topic Relevance
	2-26 Mechanisms for seeking advice and raising concerns	I. Assessment of Topic Relevance
	2-27 Compliance with laws and regulations	5.2 Anti-Bribery and Anti-Corruption 5.3 Anti-Unfair Competition
2-29 Approaches to stakeholder engagement	1.3 Due Diligence and Stakeholder Communication	
GRI 3: Material Topics in 2021	3-1 Process of determining substantive topics	I. Assessment of Topic Relevance
	3-2 List of substantive topics	I. Assessment of Topic Relevance
GRI 201: Economic Performance in 2016	3-3 Management of substantive topics	I. Assessment of Topic Relevance
	201-1 Directly generated and distributed economic values	KPI Statement - Economic Performance
	201-2 Financial impacts and other risks and opportunities of climate change	3.1 Responding to climate change, 3.2.4 Contribution to Social Emission Reduction
GRI 201-3 Defined benefit plan obligations and other retirement plans	201-3 Defined benefit plan obligations and other retirement plans	4.1.8 Welfare Care
	3-3 Management of substantive topics	I. Assessment of Topic Relevance
GRI 203: Indirect Economic Impact in 2016	203-2 Significant indirect economic impact	3.1 Responding to Climate Change
	3-3 Management of substantive topics	5.2 Anti-Bribery and Anti-Corruption
GRI 205: Anti-corruption in 2016	205-1 Operation branches that have undergone corruption risk assessment	5.2 Anti-Bribery and Anti-Corruption
	205-2 Communication and training on anti-corruption policies and procedures	5.2 Anti-Bribery and Anti-Corruption
	3-3 Management of substantive topics	5.2 Anti-Bribery and Anti-Corruption

GRI Standard	Disclosure	Related Clause
GRI 301: Materials in 2016	3-3 Management of substantive topics	3.3.3 Water Resource Utilization & Circular Economy
	301-1 Weight or volume of materials used	3.3.3 Water Resource Utilization & Circular Economy
	301-2 Recycled materials used	3.3.3 Water Resource Utilization & Circular Economy
GRI 302: Energy in 2016	301-3 Recycled products and their packaging materials	3.3.3 Water Resource Utilization & Circular Economy
	3-3 Management of substantive topics	3.3.4 Energy Utilization, 3.3.5 Clean Energy
	302-1 Energy consumption within the organization	KPI Statement - Environmental Performance (Energy Consumption Performance)
	302-3 Energy intensity	KPI Statement - Environmental Performance (Energy Consumption Performance)
GRI 303: Water and waste water in 2018	302-4 Reduction of energy consumption	3.2.2 Contribution to Emission Reduction in Operations
	302-5 Decrease in energy demand for products and services	3.2.2 Contribution to Emission Reduction in Operations, 4.5 Innovation as a Driving Force
	3-3 Management of substantive topics	3.3.2 Waste Treatment and Pollutant Discharge, 3.3.3 Water Utilization and Circular Economy
	303-1 Organizational interactions with water as a shared resource	3.3.2 Waste Treatment and Pollutant Discharge, 3.3.3 Water Utilization and Circular Economy
	303-2 Management of drainage-related impact	3.3.2 Waste Treatment and Pollutant Discharge, 3.3.3 Water Utilization and Circular Economy
GRI 305: Emissions in 2016	303-3 Water intaking	KPI Statement - Environmental Performance (Resource Consumption Performance)
	303-4 Drainage	3.3.2 Waste Treatment and Pollutant Discharge, 3.3.3 Water Utilization and Circular Economy
	303-5 Water consumption	KPI Statement - Environmental Performance (Resource Consumption Performance)
	3-3 Management of substantive topics	3.2 Greenhouse Gas Emissions, 3.3.2 Waste Treatment And Pollutant Emissions
	305-1 Direct (Scope 1) GHG emissions	KPI Statement - Environmental Performance (GHG Emissions Performance)
GRI 306: Wastes in 2020	305-2 Energy-related indirect (Scope 2) GHG emissions	KPI Statement - Environmental Performance (GHG Emissions Performance)
	305-4 GHG emission intensity	KPI Statement - Environmental Performance (GHG Emissions Performance)
	305-5 GHG emission reduction	3.2.2 Contribution to Emission Reduction in Operations
GRI 306: Wastes in 2020	305-7 Nitrogen oxides (Nox), sulfur oxides (SOx) and other significant air emissions	3.3.2 Waste Disposal and Pollutant Discharge
	3-3 Management of substantive topics	3.3.2 Waste Disposal and Pollutant Discharge
	306-1 Generation of wastes and significant waste-related impact	3.3.2 Waste Disposal and Pollutant Discharge
	306-2 Management of waste-related significant impact	3.3.2 Waste Disposal and Pollutant Discharge
	306-3 Wastes generated	3.3.2 Waste Disposal and Pollutant Discharges, KPI Statements-Environmental Performance (Environmental Emissions Performance)
GRI 306: Wastes in 2020	306-4 Wastes diverted from the disposal stage	3.3.2 Waste Disposal and Pollutant Discharges, KPI Statement - Environmental Performance (Environmental Emissions Performance)
	306-5 Wastes entering the disposal process	3.3.2 Waste Disposal and Pollutant Discharges, KPI Statement - Environmental Performance (Environmental Emissions Performance)

GRI Standard	Disclosure	Related Clause
GRI 308: Supplier Environmental Assessment in 2016	3-3 Management of substantive topics	4.6 Supply chain security
	308-1 New suppliers screened using environmental assessment dimensions	4.6 Supply chain security
	308-2 Negative environmental impact in the supply chain and actions taken	4.6 Supply chain security
GRI 401: Employment in 2016	3-3 Management of substantive topics	4.1 Employees
	401-1 New hire rate and employee turnover rate	4.1 Employees
	401-2 Benefits provided for full-time employees (excluding temporary or part-time employees)	4.1 Employees
	401-3 Parental leave	4.1 Employees
GRI 403: Occupational Health and Safety in 2018	3-3 Management of substantive topics	4.2 Occupational Health & Safety
	403-1 Occupational health and safety management system	4.2 Occupational Health & Safety
	403-2 Hazard identification, risk assessment and accident investigation	Occupational Health & Safety
	403-3 Occupational health services	4.2 Occupational Health & Safety
	403-4 Occupational health and safety matters: worker participation, consultation and communication	4.2 Occupational Health & Safety
	403-5 Occupational health and safety training of workers	Occupational Health & Safety
	403-6 Promoting workers' health	4.2 Occupational Health & Safety
	403-7 Prevention and mitigation of occupational health and safety impact directly related to business relationships	4.2 Occupational Health & Safety
	403-8 Workers covered by the occupational health and safety management system	4.2 Occupational Health & Safety
	403-9 Work-related injuries	KPI Statement - Occupational Health
GRI 404: Training and Education in 2016	3-3 Management of substantive topics	4.1.6 Staff Training
	404-1 Average hours of annual training per employee	4.1.6 Staff Training, KPI Statement - Training
	404-2 Employees' skill improvement and transition assistance programs	4.1.6 Staff Training, KPI Statement - Training
GRI 405: Diversity and Equal Opportunity in 2016	3-3 Management of substantive topics	4.1.2 Diversity and Equality
	405-1 Diversity of governance bodies and employees	5.1 Board of Directors, 4.1.2 Diversity and Equality
GRI 414: Supplier Social Assessment in 2016	3-3 Management of substantive topics	4.6 Supply chain security
	414-1 New suppliers screened using social criteria	4.6 Supply chain security
	414-2 Negative social impact in the supply chain and actions taken	4.6 Supply chain security
GRI 416: Customers' Health and Safety in 2016	3-3 Management of substantive topics	4.3 Product and service safety and quality
	416-1 Assessment of health and safety impact of product and service categories	4.3 Product and service safety and quality
GRI 417: Marketing and Identification in 2016	3-3 Management of substantive topics	5.3 Anti-Unfair Competition
	417-1 Requirements for product and service information and labeling	5.3 Anti-Unfair Competition