

SUPCON



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SUPCON Technology Co., Ltd.

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2024

Environmental, Social and
Governance Report



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

SUPCON

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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, 2024 (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 2024 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 accessed and downloaded from the official website of SUPCON Technology (www.supcontech.com), as well as from <https://global.supcon.com> and the Shanghai Stock Exchange website (www.sse.com.cn).

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

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Report Preparation Statement

Statement

This report is released together with the 2024 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.**

Over the past year, despite the challenges and uncertainties in the global landscape, the deep integration and innovative application of cutting-edge technologies such as artificial intelligence (AI) have been unlocking new pathways for the sustainable development of industries. As we stand at the forefront of the industrial AI revolution, SUPCON remains steadfast in driving technological innovation while fulfilling corporate responsibility. Guided by our ESG strategy, BRICK SUPCON, we are committed to establishing a benchmark enterprise defined by beauty, responsibility, innovation, credibility, and goodness, injecting powerful momentum into the global transition toward intelligent and sustainable industries.

In 2024, SUPCON continued to advance industrial AI and digital technologies, centering on four key objectives: AI + Safety, AI + Quality, AI + Green, and AI + Profit. By leveraging industrial AI to revolutionize traditional industry paradigms, we aim to enhance resource efficiency and propel the process industry from a resource-dependent model to one driven by technological innovation. This will provide a quantifiable transformation framework for China's manufacturing sector to actively participate in global sustainable growth. We have taken the global lead in launching the first AI Time-series Pre-trained Transformer (TPT) for the process industry, and the UCS, a universal control system. Meanwhile, it helps customers achieve green growth and jointly build a resource - saving and environment - friendly society. It is estimated that from 2019 to 2024, SUPCON officially commissioned projects will help customers avoid 330 million tCO₂e during their life cycle.

As a practitioner of intelligent net-zero, we have deeply embedded digital-intelligent technologies and low-carbon principles into our production, operations, and workplace environments. By implementing measures such as enhancing equipment energy efficiency, optimizing low-carbon production, deploying digital carbon-energy management, and expanding renewable energy usage, we have significantly improved energy conservation and emissions reduction within our operational scope. In 2024, we installed a 16,000-square-meter rooftop solar PV system at our Fuyang production facility, expected to generate over 1.9 million kWh of renewable energy annually. Across the company, we are promoting more than ten green initiatives and engaging employees in sustainability efforts through our "Fun Carbon Reduction" platform, fostering a lasting and effective green corporate culture. Through diversified initiatives, SUPCON directly or indirectly reduced its operational emissions by 2194.9tCO₂e in 2024.

By committing to outstanding governance, we strengthen our development foundation and pave the way for enduring progress. In 2024, we further optimized our ESG governance framework, ensuring the effective execution of ESG strategic goals and key initiatives. Our efforts have gained recognition from leading global rating agencies, with our ESG rating continuing to improve. We remain committed to integrity and prudent operations, earning prestigious accolades such as "Most Valuable Sci-Tech Innovation Board Listed Company", all of which attest to the industry's and market's trust in us. Upholding excellence in product quality and service management. This is the strongest endorsement of our adherence to the principle of excellence.

SUPCON is dedicated to sharing sustainability outcomes with employees, customers, and society and works diligently to foster a mutually beneficial coexistence between the business and the community. We advocate for a workplace that fosters Happy, Fulfilled, Valued, Respected, encouraging every SUPCON employee to contribute meaningfully. We actively support education and community welfare, continuously engaging in university research funding, student assistance programs, and public welfare initiatives. Our "Firefly" volunteers are at the forefront of charitable activities such as voluntary blood donation and supporting children with hearing impairments, spreading warmth and hope through concrete actions.

2025 marks a transformational year as SUPCON accelerates its evolution into a fully-fledged industrial AI company. Upholding our vision to "Leading Industrial AI to Sustainable Growth", we will sharpen our core competitive edge in Data + AI, deepen the deployment of industrial AI solutions across global industrial applications, and align our ESG strategy as a value anchor. By working hand in hand with all stakeholders, we will pioneer a sustainable development paradigm, leading the digital-intelligent and green transformation of the process industry—creating a smarter, greener future for humanity.

Company Profile

Rooted in Industry Excellence, Pioneering Industrial Intelligence

Founded in 1999, SUPCON Technology Co., Ltd. (Stock Code: 688777.SH, SUPCON.SW) is committed to its mission of "Elevate Industry Intelligence, Drive Customer Success" and its vision of "Leading Industrial AI to Sustainable Growth". Through relentless innovation in AI technology, SUPCON has established its pioneering "AI+5T" technological framework, leveraging a dual-engine approach of technological and business model innovation. The Company provides intelligent solutions under its "AI+Safety", "AI+Quality", "AI+Green" and "AI+Profit" platforms. With a global footprint spanning 50+ countries and regions, serving over 35,000 customers across key industries such as chemicals, petrochemicals, oil & gas, and power, SUPCON empowers the process industry to transition from traditional manufacturing to highly automated, intelligent operations, driving high-quality and sustainable growth.

Deep Expertise in Process Industries, Driving Industry Synergies

Since its establishment, SUPCON has remained focused on addressing core industry challenges in "Safety, Quality, Green and Profit". The Company has developed a robust portfolio of cutting-edge products and solutions, establishing a solid foundation for long-term growth while injecting momentum into the future of sustainable process industries.

SUPCON pioneered the "Offline PlantMate 5S Store + Online PlantMart Platform" industrial service model. As of December 2024, it has opened 200 PlantMate 5S stores across 678 chemical parks in China and key international markets including Saudi Arabia, Thailand, Canada, Kazakhstan, Malaysia, and Indonesia. These stores, based on the 5S concept (Sales, Service, Spare Parts, Specialists, Solutions), provide deep customer insights that continuously refine scenario-based solutions. Concurrently, the online PlantMart Platform, operating under an S2B model, integrates digital solutions, services, and commerce, evolving into a pivotal transaction, service, and data operations platform connecting SUPCON with global customers. To further enhance its service ecosystem, SUPCON introduced the industry-first PlantMembership subscription model, to reduce capital investment costs while comprehensively addressing customers' diverse needs.

SUPCON's superior product technology is widely deployed in large-scale industrial projects, including million-ton ethylene plants,

million-ton aromatics plants, million-ton coal-to-olefins projects, and refining complexes handling tens of millions of tons of crude oil annually. In 2024, SUPCON's Distributed Control System (DCS) held a 40.4% market share in China (source: MIR DATABANK), maintaining its No. 1 position in the domestic DCS market for 14 consecutive years. Meanwhile, its Safety Instrumented System (SIS) secured a 31.2% market share (source: Industrial Control Network), and has maintained the top position in the domestic SIS market for three consecutive years.

Accelerating AI Transformation, Shaping the Future of Industrial AI

With deep industry expertise, extensive data resources, advanced algorithms, and diverse application scenarios, SUPCON is actively transforming into an industrial AI company. It has pioneered the industry-leading "1+2+N" Industrial AI Architecture: Redefine Enterprise Intelligent Operation, offering viable solutions and a holistic strategy for supporting the digital transformation of businesses. By leveraging AI to drive sustainable industrial development, SUPCON has established a core product ecosystem centered on "4 Data Platforms + 1 Intelligent Engine", maximizing data value and accelerating the intelligent evolution of the process industry. Built upon secure, reliable, and trustworthy industrial-grade AI, SUPCON has independently developed the Universal Control System (UCS) and its first product, Nyx, disrupting traditional control architectures with a software-defined, fully digital, cloud-native approach, unlocking the full potential of automation. Additionally, the Time-series Pre-trained Transformer (TPT) revolutionizes industrial AI applications by overcoming fragmentation and inefficiencies in data utilization, delivering enhanced human efficiency, stability, and profitability.

Building a Global Ecosystem, Co-Creating the Future of Process Industries

With localized service networks spanning Southeast Asia, South Asia, Central Asia, the Middle East, Africa, Europe, and the Americas, SUPCON remains steadfast in contributing Chinese innovation to global industrial competitiveness. SUPCON has forged strategic collaborations with industry giants such as Saudi Aramco, BP, Shell, and BASF, jointly developing large-scale digital transformation projects. Through the launch of the "Cluster" initiative, SUPCON is fostering a green, sustainable, and intelligent industry ecosystem, driving forward a collaborative vision for the future of process industries.



Annual Awards

- Rated MSCI ESG A
- Listed in the "2024 Global Zhejiang Business ESG Classics 100"
- 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
- 2023-2024 China Automation + Digitalization Top 50 Brands
- Featured in MIIT's "Digital Navigation Enterprise Practice Cases"
- Awarded the "Industrial Grand Prize of Zhejiang Province"
- Awarded "2024 Artificial Intelligence Innovation Enterprise"
- Recognized as one of the "Top 100 Most Competitive Software and Information Technology Service Enterprises of 2024"
- Winner of the "CEC 2024 Annual Best Product Award"



- Awarded "2025 China Outstanding Employer" and "2024 Sirius Globalized Enterprise Best Employer"
- Granted the title of "Quality Management Benchmark Organization in Zhejiang Province"
- The "Improving First-Time Assembly Pass Rate of Electronic Warehouse Automatic Assembly Line" project won the 2024 "Six Sigma Management Evaluation Standard National Standard Application Excellent Project Case"
- Recognized as the first 4-star enterprise in the Petrochemical Inspection and Maintenance Control System Maintenance Project
- Honored with titles such as "2024 Most Valuable Sci-Tech Innovation Board Listed Company", "Top 100 Growth Companies Among Chinese Listed Companies", "Top 30 Value Sci-Tech Innovation Board Listed Companies", "Golden Trust and Disclosure Award" of "Golden Bull Award" for Listed Companies, and newly included in the "SSE 180 Index" and "CSI A500"
- Achieved DCMM Level 4 Certification (Data Management Capability Maturity Assessment Model) as the Client Organization



I. Assessment of Topic Materiality

By identifying and analyzing key material topics, SUPCON establishes a robust foundation for ESG governance, ensuring proactive risk management and opportunity capitalization, while co-creating long-term value with stakeholders.

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 has comprehensively assessed environmental, social, and governance (ESG) factors. By aligning with the United Nations Sustainable Development Goals (SDGs) and the Shanghai Stock Exchange's Pilot Sustainable Development Report, the company further optimizes its assessment and management of key issues. After approval by the ESG Committee and the Board of Directors, these key issues are identified and will serve as the focus of the company's ESG management and information disclosure efforts in 2024.

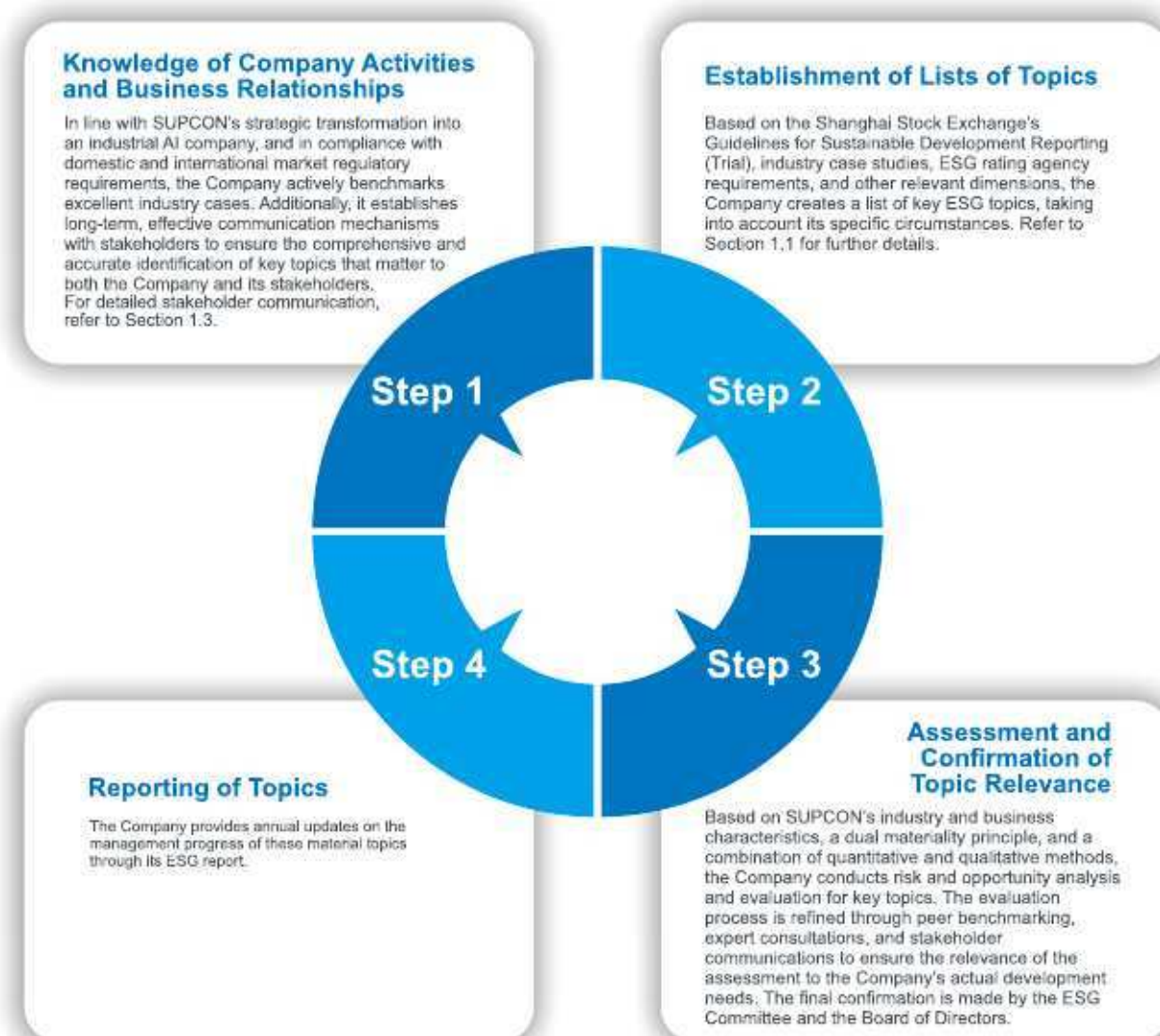
The details are as follows:

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

1.2 Dual Materiality Analysis

1.2.1 Key Topic Analysis Process

Through the analysis of internal and external market environment changes, tracking policy demands, benchmarking against outstanding ESG practices in the industry, and engaging in discussions with industry specialists, SUPCON adopts a dual materiality principle - "financial importance and impact importance". This methodology supports the analysis and assessment of key ESG topics, ensuring that our ESG governance is consistent with the Company's strategic development objectives.



1.2.2 ESG Analysis Process, Methodology, and Prioritization

ESG risks are integrated into the Company's overall risk management process, aligning with domestic and international standards. The Company develops an ESG risk management plan and progressively improves its ESG risk management framework.

Risk likelihood is assessed and categorized into four levels: "Low", "Medium", "High", and "Very High". The severity of ESG-related risks is thoroughly evaluated across five dimensions: adaptability, complexity, speed, sustainability, and resilience. Additionally, recognizing the complexity of ESG risks, we gather other important factors to consider based on industry characteristics, standard guidelines, expert interactions, and brainstorming sessions. By combining these insights with the practical realities of each business unit, we aim 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.

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.

Based on a comprehensive evaluation of both risk likelihood and severity, ESG-related risks are prioritized and categorized into four levels. We assessed the potential impacts of these risks on our operations in the short, medium, and long term and formulated corresponding response measures to mitigate these risks effectively. During the reporting period, we analyzed six key areas: financial risk, compliance risk, technological risk, market risk, operational risk, and strategic risk. We compiled the associated risk content and ranked these risks based on the principles stated earlier, resulting in a comprehensive risk list. Furthermore, based on the company's real conditions, we established appropriate response strategies and monitoring mechanisms for each risk.

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.

1.3 Due Diligence and Stakeholder Communication

1.3.1 Due Diligence

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.

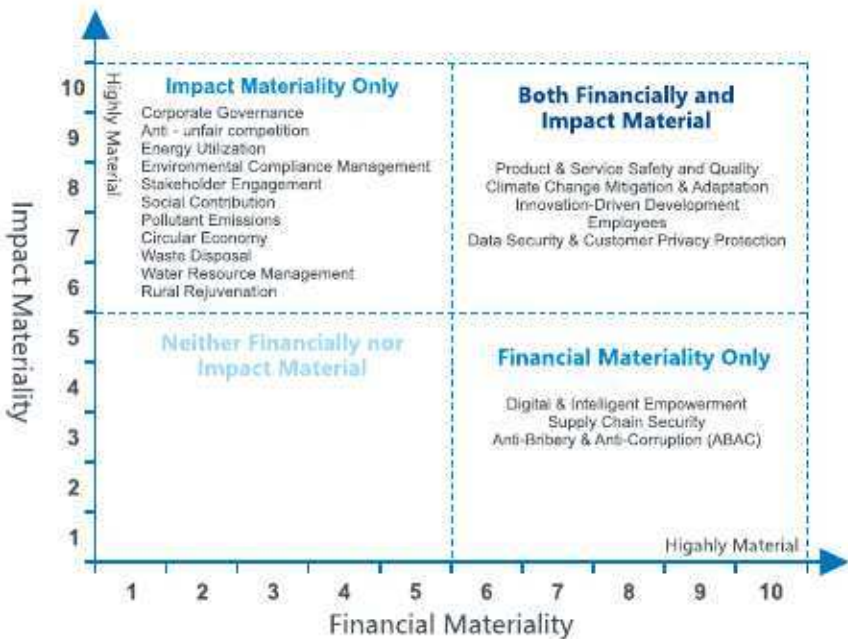
1.3.2 Stakeholder Communication

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
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 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 Revitalization 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 2024 has been completed.



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 - unfair Competition 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

2.1 ESG Strategic Planning

In order to attain the strategic goal of building Beautiful SUPCON, Responsible SUPCON, Innovative SUPCON, Credibility & Integrity SUPCON and Kind SUPCON, the Company is continuously advancing the execution, centered around ten key actions.

Top 10 Key Actions	Key Developments During the Reporting Period	Major Achievements in Construction During the Reporting Period
Active Development of Cleaner Technologies	We empower traditional industries with industrial AI technology, driving a paradigm shift from resource dependence to innovation-led growth. This accelerates the building of a resource-saving and environment-friendly society and promotes industrial sustainability through AI.	- SUPCON also introduced the 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. - Released Time-series Pre-trained Transformer (TPT), the process industry's first large-scale industrial time-series model. - Since 2019, SUPCON's cumulative contribution to societal emissions reduction has reached 330 million tCO₂e.
Enhancing Climate Change Adaptation	We concentrate on cutting carbon emissions in our operations. Focusing on office operations and manufacturing, we've taken steps like upgrading to energy-saving lights, optimizing lighting controls, retrofitting chillers, upgrading AC equipment, building a smart energy management platform, installing rooftop PV systems, refining coating processes, and creating a company-wide carbon credit platform. These actions boost our emission-reduction efforts in our operations.	- During the reporting period, SUPCON reduced emissions equivalent to approximately 2,194.9 tCO₂e. - SUPCON has achieved full rooftop solar coverage across its production facilities, with a 40% year-on-year increase in renewable energy consumption. - The "Fun Carbon Reduction" platform was launched in late November. By the end of the reporting period, it had facilitated over 10,000 carbon reduction activities, reducing emissions equivalent to approximately 3,078 kgCO₂e.
Enhancing Digital Intelligence Enablement	Going all-in on AI, we craft a digital SMILE experience that's Simple, Mobile, Intelligent, Link-ALL, and Exact. We embed AI deeply in our digital transformation, building an AI-driven intelligent governance system to boost operational efficiency.	- During the reporting period, SUPCON initiated and implemented 56 digitalization projects. - The digital coverage rate in core business domains such as LTC, D&S, ISC, and IPD has reached 91%. - During the reporting period, the company achieved a total annual labor productivity improvement equivalent to 404.4 person-years. - Continuous improvement of the data security protection system, with 0 major data protection/customer privacy leakage incidents.
Improving Product and Service Quality	We adhere to the quality policy of "Technology Leadership, Quality First, and Customer Satisfaction". We drive strategic, management, and organizational changes to enhance value-chain innovation and improvement.	- Granted the title of "Quality Management Benchmark Organization in Zhejiang Province" and appointed as a paired enterprise for the Binjiang District Government Quality Award "Excellence in Performance Mentor Leadership". - A customer satisfaction score of 89.5 in 2024 by third-party (Industrial Control Network) evaluations in 2024.
Stimulating Employee Creativity	Advocating for a workplace that fosters happiness, fulfillment, respect, and purpose; creating a diverse and inclusive cultural environment, establishing equal and open career pathways, and developing a continuous empowerment learning system, safeguarding the rights of every employee, enriching employee benefits, and prioritizing employee health.	- In 2024, the Company was honored as a "2025 China Top Employer" and the "2024 Sirius Best Global". - Developed a digital employee-development system - the Employee Growth Platform - to integrate and manage career-development data across the entire cycle. - Provided comprehensive welfare programs for employees and their children. - Organized 78 training sessions during the reporting period, attended by over 20,000 person-times. - No major occupational diseases occurred during the reporting period.

II. Corporate ESG Governance Framework

The Company aligns its ESG strategic objectives with its development initiatives, continuously advancing overall performance in environmental, social, and governance areas, and strives to be a benchmark and leader in sustainable development in the industry.

Top 10 Key Actions	Key Developments During the Reporting Period	Major Achievements in Construction During the Reporting Period
Establishing a responsible supply chain	Incorporate supply chain security into the ESG strategy. Through supplier compliance management, ensure the implementation of ESG concepts. Continuously advance Business Continuity Management (BCM) to enhance supply chain risk - prevention capabilities. Treat small and medium - sized enterprises equally to build a more inclusive industrial ecosystem	- Conducting surveys on the green development level of suppliers and including green and low-carbon criteria in the supplier information questionnaire - Assessed 327 suppliers in the reporting period. - Continued conflict - free mineral management. - At the reporting date, the company's accounts payable (including bills payable) balance did not exceed 300 billion yuan and its proportion of total assets did not exceed 50%
Adherence to compliance and integrity	We adhere to ethics and integrity, strictly abide by laws, and have established a robust compliance system against corruption. This system, coupled with efficient and transparent management and decision - making processes, ensures our sustainable operation and respectable status	- Training on business ethics was conducted with 100% participation - Won the "Golden Trust and Disclosure Award" of "Golden Bull Award" for Listed Companies - Awarded "Top 100 Growth Companies Among Chinese Listed Companies", "Top 30 Value Sci-Tech Innovation Board Listed Companies" - Selected for "SSE 180 Index" and "CSI 500" - We have received the highest rating (A-level) for two consecutive years from the Shanghai Stock Exchange for its disclosure work on the Sci-Tech Innovation Board
Promoting high-quality development of the industry	We uphold an open cooperation philosophy. Based on "platform - based empowerment", rooted in "co - creation and sharing", and with "value - co - creation" as the core, we build a digital ecosystem. This ecosystem, featuring partners' "co - evolution capability", is where we perfect the ecosystem, achieve excellence, and lead	- Releasing the Ecosystem Development Strategic Plan (2024-2026) - Promoting the "CLUSTAR" initiative to build ecological prosperity together - Building the SUPCON APL Eco-Partnership Program
Actively fulfil social responsibilities	Actively engaging in social welfare initiatives, and collaborating with stakeholders to drive meaningful actions that contribute to a more equitable and inclusive society	- Continuing to carry out public welfare actions such as blood donation, scientific and technological support for education, and donations to colleges and universities - We continuously boost rural revitalization and support education in remote and underdeveloped areas. We partner with the Zhejiang Intelligence Navigation Education Foundation for targeted tech - teaching aid. - In the reporting period, our cumulative external donations reached 1.1131 million yuan 300+ employment opportunities for the whole community
Strengthening the construction of a sustainable development management system	We link ESG goals with company development through clear responsibility division, scientific decision - making, and transparent supervision. This continuously improves environmental, social, and governance performance	- Rated MSCI ESG A - Listed in the "2024 Global Zhejiang Business ESG Classics 100" - Promoting full employee participation in ESG governance - Building channels for ESG advocacy, steadily increasing the brand's ESG influence

2.2 ESG Governance Framework

Establishing an ESG Committee to create a three-tier ESG governance structure covering all business areas: "Decision-Making Level - Management Level - Execution Level". Clearly defining responsibilities at each level, with designated personnel and departments accountable for monitoring and implementing key ESG matters to ensure steady progress in ESG governance.

ESG Organizational Structure	Organizational membership	Main responsibilities	Main members
Decision-making level	Board of Directors	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	- 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	- Responsible for the implementation and execution of the Company's 184 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 key personnel from the Company's 22 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, 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 two 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 four 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 (www.supcontech.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 (<https://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

SUPCON is empowering traditional industries through industrial AI technology, driving the industry's shift from resource dependency to technology-driven innovation, and accelerating the creation of a resource-saving, environmentally friendly society. Aligned with the "Dual Carbon" strategy, the Company is committed to building a beautiful Supcon, while achieving a comprehensive green transformation.

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:

The Company integrates carbon neutrality and peak carbon dioxide emissions initiatives into its core strategic priorities, establishing a top-down climate response framework to ensure the effective implementation of its "Dual Carbon" strategy.

④ The Board of Directors annually reviews greenhouse gas (GHG) emissions data disclosed in the Company's ESG report, along with the implementation of various energy-saving and emission reduction measures.

④ A Dual Carbon Leadership Committee has been established to oversee the formulation and execution of the Company's annual energy conservation and emission reduction targets. The Committee is led by key executives, with heads of relevant business units serving as members, ensuring a dedicated task force mechanism for the effective execution of dual carbon initiatives.

④ A GHG Inventory Task Force has also been formed, leveraging the expertise of the Company's 5T technology team. This task force, composed of professionals with specialized technical capabilities, is responsible for conducting comprehensive GHG emissions assessments across all business operations.

Strategy:

The Company strictly complies with climate-related laws, regulations, and supervisory requirements across its operating regions while proactively exploring digital and intelligent solutions for emission reduction in process industries. This approach aims to enhance climate resilience across the industry value chain. By fully identifying and analyzing climate-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.

④ The Company's dual carbon strategy is built on a structured approach: prioritizing energy efficiency improvements, followed by energy structure adjustments, with carbon removal and offsets as supplementary measures. Clear peak carbon dioxide emissions and carbon neutrality targets, along with defined implementation pathways, guide these efforts.

④ In the manufacturing sector, the Company actively promotes green production and continuously reduces energy consumption. In business operations and office environments, it fosters a culture of sustainability and implements low-carbon workplace practices.

④ We focus on new - generation information technology like automation, digitalization, and intelligence. We keep increasing R&D innovation in clean - tech products and services, and work with stakeholders to enhance climate - change resilience.

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	- 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	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	- 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	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	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	- 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	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	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	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	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	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	- Explore EBO (Emerging Business Optimization) 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 Process: Leveraging the greenhouse gas (GHG) emissions inventory working group, 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. A risk inventory is established, detailing the causes of identified risks and their potential impacts.

Risk Assessment: A scenario analysis approach³ is employed to evaluate climate-related risks and opportunities. Both quantitative and qualitative methods are integrated to develop risk assessment indicators, rank risks based on likelihood and severity, and conduct 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	Total GHG emissions(Scope 1 + 2) for the reporting period: 11829.76tCO ₂ e.
		Achieved approximately 2194.9tCO ₂ e reduction via remote work, digital management platforms, and equipment efficiency improvements
		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

Organizational Structure:

Established a dedicated GHG emission verification team responsible for annual GHG emission inventory,

Methodology Basis:

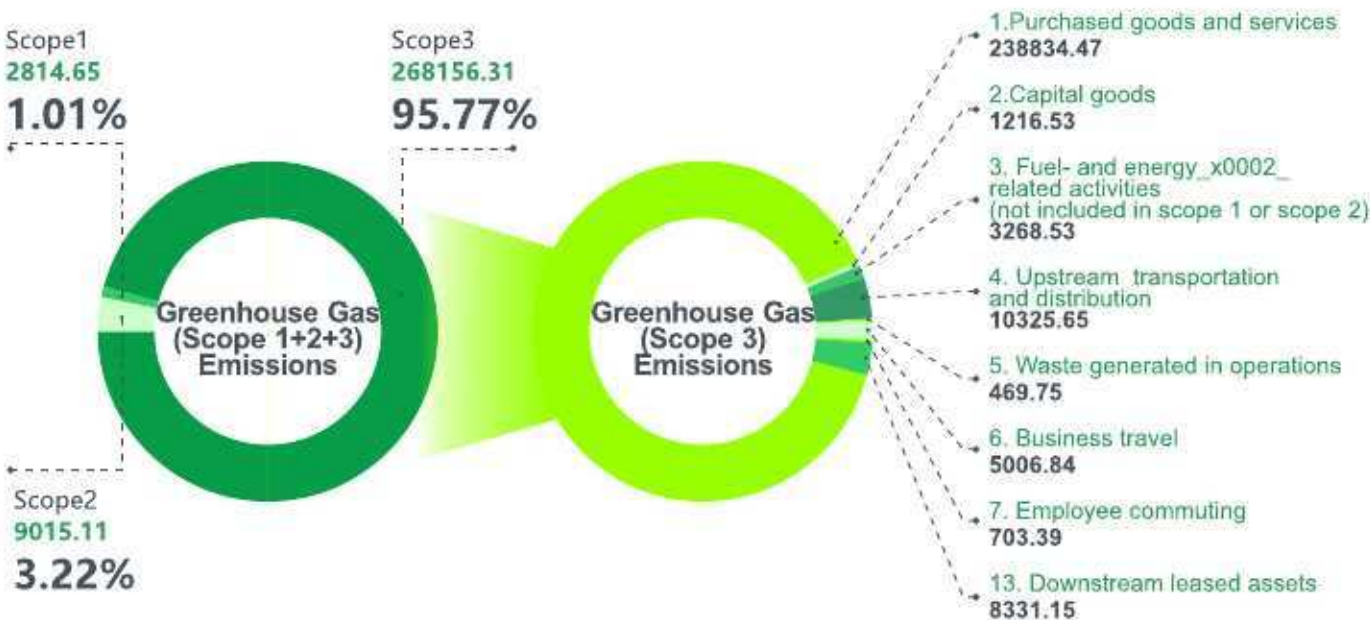
This assessment is conducted in accordance with ISO 14064-1:2018 Greenhouse gases Part 1: Specifications and Guidelines for the Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level, the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol 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 (8 categories of other indirect greenhouse gas emissions).



¹Including Category 1, 2, 3, 4, 5, 6, 7, 13 emissions

3.2.2 Implementation of Peak Carbon Dioxide Emissions and Carbon Neutrality Strategies

By conducting comprehensive carbon inventories, analyzing emission trends, formulating strategic roadmaps, and defining actionable pathways, SUPCON has established a forward-looking and pragmatic dual-carbon strategy, to strengthen the capability and commitment to respond to climate change, while focusing on our operational carbon neutrality targets. The Company aims to achieve operational carbon neutrality by 2035, with carbon emission intensity of Scope 3 has decreased by more than 30% compared to 2021. The Company has developed a comprehensive carbon neutrality action framework covering key dimensions such as management system development, digital transformation of carbon and energy management, equipment efficiency enhancement, and low-carbon energy transition. This integrated approach ensures the effective realization of dual-carbon objectives, positioning SUPCON as a proactive enabler and practitioner of "Smart Zero-Carbon".

As a practitioner of "Smart Zero-Carbon", Supcon has deeply integrated digital intelligence and low-carbon principles into its operational landscape. The Company has deployed a digitalized carbon management platform, enabling centralized measurement, monitoring, analysis, and forecasting of energy and carbon data. By focusing on key emission sources and leveraging digital intelligence applications, Supcon drives green-intelligent decarbonization across product design, manufacturing processes, equipment efficiency, and energy structure optimization. Additionally, the "Fun Carbon Reduction" digital platform fosters employee awareness and engagement in low-carbon practices.

As a driver of "Smart Zero-Carbon", SUPCON is dedicated to creating customer value and contributing to society. The Company advances industrial AI innovation, leveraging AI-driven technologies to minimize resource consumption, reduce carbon emissions, and accelerate the growth of the renewable energy sector. By enabling customers to transition from digitalization to intelligent and green transformation, SUPCON supports the decoupling of economic growth from resource and energy consumption. On a broader societal scale, SUPCON continues to invest in and develop technologies within the smart zero-carbon domain, fostering collaboration platforms to facilitate knowledge sharing and best practices in sustainability. By working closely with stakeholders, the Company strives to build a future driven by smart zero-carbon solutions.

3.2.3 Contribution to Emission Reduction in Operations

Focusing on the dual-carbon goals and prioritizing both office and production environments, the Company has been making continuous efforts to mitigate the impacts of climate change. In 2024, it achieved a direct or indirect reduction of approximately 2194.9tCO₂e in greenhouse gas emissions.

1 Green Office

Key Initiatives and Achievements:

By integrating digital transformation with energy conservation and emission reduction, the Company has developed a smart digital park management platform, implementing multiple energy-saving technological upgrades, including: retrofitting energy-efficient lighting; optimizing lighting control systems; installing variable-frequency air conditioning units; upgrading refrigeration units. Over the course of the year, these initiatives contributed to a total reduction of 304.68tCO₂e over the year.



2 Green production

The Company integrates sustainable principles across the entire production lifecycle, continuously reducing resource consumption and environmental impact through: process design optimization; adoption of cleaner production technologies; enhancement of resource recycling initiatives.



The Company has deployed the SUPCON Industrial Park Phase II Smart Platform, enabling real-time automatic data collection, computation, and storage of multiple energy carriers, and facilitating precise energy management and analysis. During the reporting period, the intelligent platform project for Phase II of the SUPCON Industrial Park reduced emissions by approximately 563.43 tCO₂e.



SUPCON Industrial Park Phase II Rooftop Solar PV Project During the reporting period, the Company independently invested in and completed the rooftop solar PV installation at the Fuyang Industrial Park, achieving full rooftop solar coverage. During the reporting period, the rooftop photovoltaic project at SUPCON Industrial Park reduced emissions by approximately 1,235.6tCO₂e.



Measures such as structural load adjustments, heat dissipation enhancements, and cable routing optimization have been adopted to minimize resource and energy consumption, continuously lowering the product's carbon footprint.



Coating Process Optimization: This initiative has resulted in an annual energy saving of over 60,000 kWh. Emission Reduction Achieved: 32.2 tCO₂e.



Through cabinet lighting optimization, fluorescent lights were replaced with LED alternatives, reducing energy consumption per unit from 15W to 8W while extending the lifespan from 10,000 to 50,000 hours. Emission Reduction Achieved: 59 tCO₂e.



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, digital automation was introduced to regulate temperature and humidity within production environments. Critical areas now operate under a controlled, enclosed setup to maintain process consistency and minimize energy losses.



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.



Process optimization has been undertaken by replacing galvanized components with sprayed coatings, enhancing environmental performance.



New eco-friendly equipment has been introduced to reduce emissions from the welding process.



Improvements in production, installation, and commissioning have been implemented, facilitating the shipment of control system cabinets with pre-installed modules.

3.2.4 Contribution to Social Emission Reduction

In response to climate change, SUPCON not only prioritizes its own sustainability practices but also focuses on fostering a green industrial ecosystem. By collaborating with upstream and downstream partners across the value chain, SUPCON is pioneering a symbiotic model of "growth and emission reduction", contributing to broader societal decarbonization efforts. In 2024, SUPCON leverages on industrial AI as a strategic enabler to break away from the traditional constraints of high energy consumption and low efficiency in process industries. By developing intelligent solutions such as "AI + Safety", "AI + Quality", "AI + Green", and "AI + Profit", the Company is accumulating deep industry expertise (Know-how) and facilitating the transition of process industries from resource-dependent operations to technology-driven production, thereby enhancing resource efficiency through digital intelligence. SUPCON continues to advance innovative low-carbon solutions, including green electricity and green hydrogen energy dispatch optimization, achieving tangible value realization across sectors such as new energy, advanced materials, and petrochemicals. This transition shifts the industry's value creation paradigm from "resource-intensive expansion" to "intelligent value-added transformation". By fostering an industrial AI-driven ecosystem, SUPCON is continuously decoupling economic growth from resource consumption, providing a scalable transformation model for China's manufacturing sector to compete in the global carbon neutrality race.

"Contribution to Social Emission Reduction" refers to SUPCON's social emission reduction contribution extends beyond decarbonizing its own value chain; it also encompasses the widespread emission reduction effects enabled by its green and low-carbon technologies at the customer and societal levels. To accurately assess the climate impact of its products and services and to guide the continuous development and promotion of clean technologies, SUPCON has established a rigorous scientific methodology. The Company has released the SUPCON Social Emission Reduction Contribution Quantification Methodology 1.0 (available on the ESG section of the SUPCON website), providing a robust theoretical foundation for quantifying its emission reduction contributions. According to calculations, SUPCON's projects that commenced full-scale operations in 2019-2024 helped customers avoid 330 million tons of CO₂ emissions over their lifecycle.

Case Studies

Renewable Energy-Based Hydrogen Production Dispatch Optimization Project »

A renewable energy-based hydrogen production enterprise leveraged SUPCON's TPT and its "AI + Green" technology to establish a multi-mode regional coordination and optimization control system. This system integrates optimization models for maximum economic benefits, minimum curtailment rates, and lowest hydrogen production costs. By dynamically adjusting the priority of hydrogen production, power consumption, curtailment, and energy storage, the project achieved end-to-end optimization across wind and solar power generation, energy storage, hydrogen production, and electricity sales, thus substantially lowering the rates of wind and solar energy curtailment in the system and the costs of hydrogen production. Through extensive project implementation, the optimization algorithms effectively reduced CO₂ emissions by approximately 2,586 tons per year; increased renewable energy utilization efficiency by 0.3%–3.5%; lowered hydrogen production costs by 1.1%–4.7%; enhanced the operational stability of the hydrogen production system.

Case Studies

Energy Optimization Project for a New Materials Enterprise »

By implementing an AI-powered steam venting quantification model, the project enabled soft measurement, intelligent early warnings, and loss calculations for plant-wide steam venting, recovering approximately RMB2 million per year in direct losses. Leveraging AI algorithms for industrial time-series data correlation analysis, the system provided intelligent recommendations for equipment optimization and tracked real-time adjustments for consistency with recommended optimizations, leading to an estimated RMB1.2 million annual savings in electricity costs. Additionally, an "AI + Mechanism" modeling approach was used to develop a multi-energy conversion model for the plant's gas-electric-steam combined cycle unit. By integrating an energy optimization scheduling algorithm, the system dynamically optimized power dispatch based on peak and off-peak electricity prices, generating approximately RMB 7 million in annual revenue for the energy station. The overall energy optimization project is expected to reduce CO₂ emissions by approximately 9,740 tons per year.

Case Studies

Steam Network Optimization for a Petrochemical Enterprise »

SUPCON's 5T Technology was deployed to optimize the steam pipeline network. Using SUPCON's steady-state simulation software, the project analyzed various operational conditions of the medium- and low-pressure steam network, identifying optimization and retrofitting solutions to ensure stable operation. The dynamic simulation software was further employed to simulate abnormal conditions during catalytic shutdowns, incorporating real-time online simulation analysis of the steam network. Through intelligent monitoring of steam retention and insulation anomalies, the system provided real-time alerts and risk warnings for abnormal pipeline segments, enhancing operational reliability and energy efficiency. The velocity of different pipeline segments has increased by 30% to 130%, significantly mitigating the risk of steam retention within the pipeline and reducing heat dissipation losses by approximately 2,960 GJ per year, equivalent to a reduction of approximately 325 tons of carbon dioxide emissions per year (based on an annual operational duration of 8,000 hours).

3.3 Environmental Management and Pollutant Emissions

3.3.1 Environmental Compliance Management

We strictly adhere to the Environmental Protection Law of the People's Republic of China and other relevant regulations in our 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. A comprehensive environmental management system has been established, encompassing multiple dimensions such as pollutant emissions, resource utilization, and energy management. 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: 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, etc.

Major Initiatives:

④ We continuously enhance our environmental protection framework, strengthen environmental management and infrastructure while maintaining compliance with the ISO 14000 Environmental Management System certification.



④ We conduct regular environmental factor identification and assessments across all business processes in accordance with the Environmental Factor Identification and Evaluation Procedure, implementing stringent control measures for significant environmental factors. Management plans are developed, responsible departments are designated, and periodic assessments and monitoring are carried out to prevent and mitigate potential environmental impacts.

④ We proactively manage emergency environmental incidents by conducting scenario-based emergency drills, such as chemical spill response exercises, as stipulated in the Environmental Incident Emergency Response Plan. These drills refine our emergency response procedures and validate the effectiveness of our contingency plans. We also focus on strengthening on-site emergency response capabilities by enhancing emergency response teams, ensuring preparedness, and fortifying our environmental protection defenses.

3.3.2 Waste Management and Pollutant Emissions

We strictly comply with the Solid Waste Pollution Prevention and Control Law and the Water Pollution Prevention and Control Law of the People's Republic of China, establishing a comprehensive waste and pollutant management system. A series of targeted measures are implemented to ensure refined waste management practices, minimizing environmental impact to the greatest extent possible.

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

 **Wastewater Management:**

- We implement optimized stormwater and sewage separation, as well as clean and contaminated water segregation, to enable targeted treatment of industrial and domestic wastewater. We ensure that industrial wastewater undergoes treatment via equalization tanks, integrated wastewater treatment facilities, and multi-stage filtration systems to achieve recycling and improve water resource efficiency. Domestic wastewater is collected through sewage pipelines and processed sequentially via grease traps (for canteens) and septic tanks before being discharged in compliance with municipal wastewater regulations. We guarantee that discharged wastewater meets the Class III discharge limits set forth in the Integrated Wastewater Discharge Standard (GB8978-1996).

 **Exhaust:**

- We employ 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 at high altitudes 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**

- We have established a Waste Management Policy to systematically classify and manage waste generated during production and operations. A Waste Classification Table is maintained to guide precise treatment measures for different waste types. We implement segregated waste collection, with household waste regularly disposed of by municipal sanitation authorities. General industrial solid waste, such as tin slag, is handed over to recycling companies for reuse. Hazardous waste, including waste electronic components, spent activated carbon, and used packaging drums, is entrusted to certified third-party disposal agencies.

3.3.3 Water Resource Utilization & Circular Economy

We adhere to the 3R principles - Reduce, Reuse, and Recycle - actively exploring circular economy models. Through product design optimization and increased use of recycled materials, we are transitioning from a linear resource consumption model to a closed-loop system.



In water resource management, we achieve zero wastewater discharge by recycling treated industrial wastewater. Additionally, we implement water-saving retrofits for office facilities, including installing sensor-activated faucets and optimizing cooling systems, to reduce water wastage.



We enhance office process quality control, promote paperless operations, and minimize defective products and paper waste to reduce overall waste generation.



We have established a comprehensive waste recycling system, collaborating with specialized recycling companies for the reuse of metal scraps, waste paper, and other recyclable materials. Non-recyclable waste is handled by certified enterprises for safe disposal and resource recovery.



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 RMB 4 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.

3.3.4 Energy Utilization

We continuously enhance energy efficiency and reduce both direct and indirect energy consumption by focusing on systematic energy management, regulatory compliance, efficiency improvement, clean energy adoption, and digital energy optimization.

Organizational Structure: We have established a dedicated energy management team, with energy managers assigned to each department to ensure the effective implementation of energy management initiatives. We have also set up an Energy Management Committee, responsible for strategic planning and oversight of the Company's energy usage.

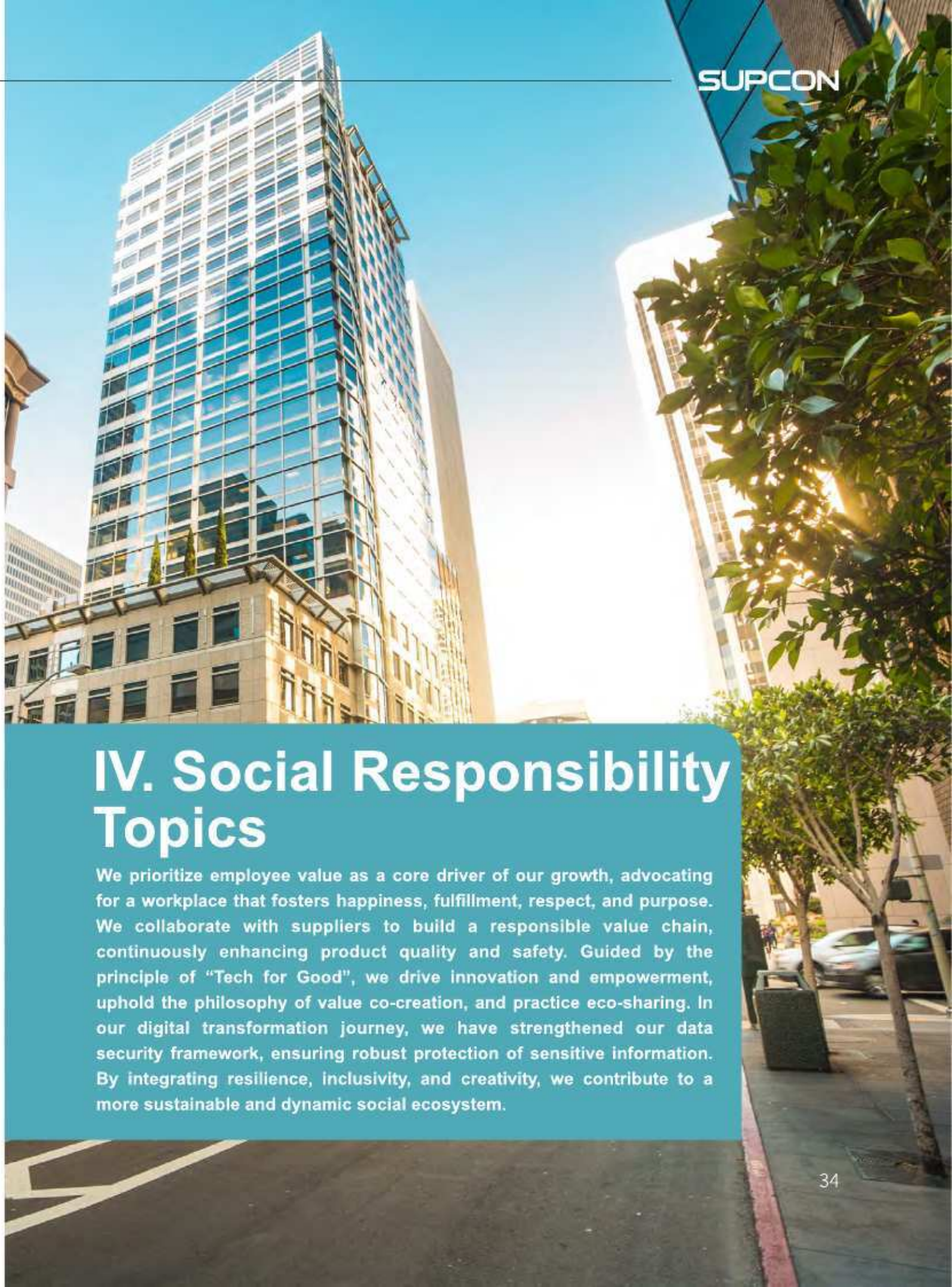
Policies and Regulations: Energy Management Policy

Major Initiatives:

- 🌱 We have significantly increased the use of renewable energy, achieving full rooftop solar coverage at our Fuyang production facility.
- 🌱 We have formulated and released the Energy Management Policy, which defines energy conservation responsibilities for each department, sets detailed energy usage requirements, and optimizes resource management strategies for water, electricity, and other utilities to maximize energy efficiency. Priority is given to water- and electricity-saving equipment.
- 🌱 We have implemented an energy metering system to enable real-time monitoring and recording of energy consumption across production and office areas, ensuring timely adjustments to the energy mix.
- 🌱 To reinforce our energy-saving efforts, we have established energy efficiency targets, integrating them into departmental performance evaluations to incentivize responsible energy use.
- 🌱 Regular energy audits and awareness campaigns are conducted to encourage employees to fulfill their energy-saving responsibilities and actively adopt high-efficiency, energy-saving technologies and products.
- 🌱 A digital energy management platform has been developed, allowing for precise, high-efficiency control of all energy-consuming processes and operations.

3.3.5 Clean Energy

During the reporting period, we completed the construction of a 16,000-square-meter rooftop solar project at our Fuyang production base, which was officially connected to the grid in June 2024. As of now, the SUPCON Fuyang Industrial Park has achieved full rooftop solar coverage. According to statistics, the actual rooftop solar power generation at the Fuyang Industrial Park during the reporting period reached 2.3 million kWh, equivalent to a reduction of approximately 1,235.59tCO₂e. We increased natural gas use to boost clean energy consumption. During the reporting period, the company used about 725.44 tce of clean energy.



IV. Social Responsibility Topics

We prioritize employee value as a core driver of our growth, advocating for a workplace that fosters happiness, fulfillment, respect, and purpose. We collaborate with suppliers to build a responsible value chain, continuously enhancing product quality and safety. Guided by the principle of “Tech for Good”, we drive innovation and empowerment, uphold the philosophy of value co-creation, and practice eco-sharing. In our digital transformation journey, we have strengthened our data security framework, ensuring robust protection of sensitive information. By integrating resilience, inclusivity, and creativity, we contribute to a more sustainable and dynamic social ecosystem.

4.1 Employees

Governance:

During the reporting period, we established a Human Resources Committee, responsible for strategic planning, review, and execution of HR initiatives, as well as identifying and assessing risks and opportunities related to employees. The committee is chaired by the Company's President, with HR experts and senior executives serving as core members.

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, Labor Employment 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	- 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. - Introduce a comprehensive background check process post-offer issuance 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	- 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.
Occupational Health and Safety Risks	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: - 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	- 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.

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 review

Metrics & Targets

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, the Company formulated a talent pipeline development strategy, built a talent reserve for key AI positions, and continued strengthening the recruitment of high-caliber AI professionals
	Aspiring to be a respected, trusted, and highly recognized employer brand with significant industry influence.	In 2024, the Company was honored as a "2025 China Top Employer" and the "2024 Sirius Best Global Employer"
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

4.1.1 Compliance with Labor Standards

The Company strictly prohibits child labor and forced labor, fosters an equitable and respectful workplace, and opposes all forms of sexual harassment and workplace bullying. The Company upholds the legal rights of female employees, prohibiting them from being assigned to labor-intensive or restricted job roles as per national regulations, thereby ensuring full labor rights protection. In 2024, the Company recorded no violations of employment policies, including 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.

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 2024, the Company appointed 14 foreign nationals to management positions, while one minority employee was honored with the "SUPCON Technology Excellence Award – Overseas Heroes". 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 2024, the Company had signed employment contracts with 37 employees with disabilities.

4.1.3 Democratic Management

Through labor unions, the Company implements an employee representative congress system and establishes a robust democratic decision-making mechanism, allowing employees to participate in corporate governance. It ensures open communication between employees and management, incorporating employee insights to improve management practices and workflows.

- ☑ 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.
- ☑ Each year, an employee representative congress is convened, during which representatives sign 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. These agreements serve as fundamental internal labor policies and are communicated to all employees to ensure mutual respect, fairness, and collaboration.

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 2024, the Company has intensified efforts to attract Ph.D. and Master's degree holders in AI algorithms; Local foreign professionals in technology and marketing roles
- ☑ The Company collaborates extensively with leading universities. In 2024, through the "SUPCON Global University Tour" initiative, it engaged in talent acquisition via entrepreneurship and innovation competitions, joint laboratory programs, and industry-academia research collaborations.
- ☑ Through continuous cultural development and employer branding initiatives, the Company reinforces its image as an innovative, globally oriented, and industry-leading employer in Industrial AI.
- ☑ The Company dynamically reviews qualification standards based on corporate and employee development needs, regularly assessing talent attraction and career development risks and opportunities to formulate effective strategies.

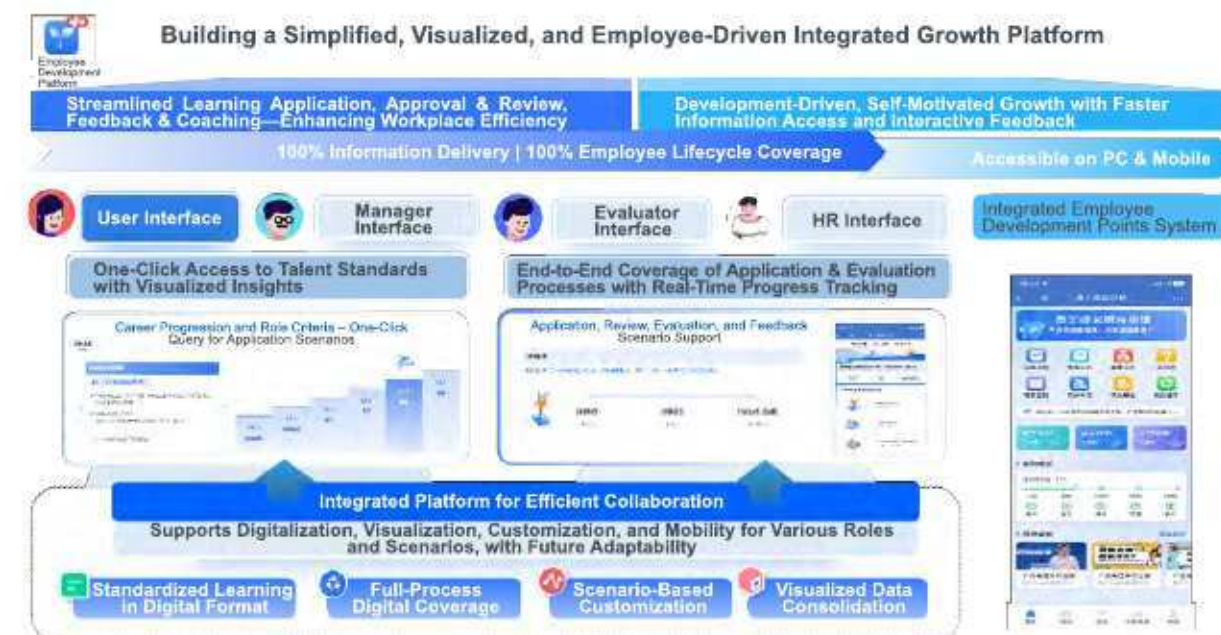
4.1.5 Staff Development

A comprehensive and structured employee career development system has been continuously refined, centering on career progression, qualification advancement, and leadership development. This framework encompasses three distinct career tracks: Management (M), Project Management (PM), and Professional (P), with 15 specialized career paths tailored to different job families. The Cadre Management System and related governance frameworks have been enhanced to reinforce leadership oversight and organizational conduct, fostering a transparent, integrity-driven, and high-performance work environment. The Qualification Management System and corresponding job family qualification standards undergo iterative optimization, guiding employees toward innovation, internationalization, and digital transformation.

In 2024, the employee development system was upgraded with digital platform integration, driven by three core objectives: precision in talent profiling, transparency in career pathways, and autonomy in professional growth. A digitalized employee development system - the Employee Growth Platform - was introduced, enabling three-dimensional visualization of promotion criteria (criteria dimension, competency dimension, and time dimension). A centralized online evaluation hub was established, ensuring seamless data integration and closed-loop management across the entire career lifecycle. A fair, transparent, and meritocratic career advancement framework has been implemented to empower employees' self-driven growth and maximize organizational effectiveness.

Policies and Regulations:

Cadre Management System, Qualification Management System, Grade System Management Measures, Post Management Measures



4.1.6 Staff Training

Aligned with corporate business strategy, the Company upholds the principles of standardization, modernization, and internationalization, developing a comprehensive talent development framework that supports the entire employee lifecycle. This approach enhances job competency and broadens career growth opportunities. During the reporting period, 78 training sessions were conducted, benefiting over 20,000 participants, with a satisfaction rate of 97.35%.



A development system covering the entire lifecycle of key position talents has been constructed, enhancing competency for the roles and expanding career development opportunities for employees. During the reporting period, 78 training sessions were conducted, benefiting over 20,000 participants, with a satisfaction rate of 97.35%.

A tiered leadership development program was deployed, including General Manager Training, Young Talent Program, STEM+ Training, strengthening leadership pipelines and accelerating the growth of young leaders.



Specialized training was intensified across four key business domains - marketing, R&D, engineering, and supply chain - leveraging a dual-driven approach that integrates systematic and agile training methodologies.

To support the Industrial AI transformation strategy, targeted training programs and competitive initiatives were launched, enhancing employees' AI proficiency and technical expertise, thereby driving both productivity and workforce optimization.



The Company is also committed to global talent development, designing 30 premium courses for expatriate employees and new hires, strengthening cross-cultural communication skills and reinforcing global market competitiveness.

Policies and Regulations:

Training Management System, Implementing Rules for Outgoing Training, and Measures for the Management of Part-time Lecturers in SUPCON

4.1.7 Fair Compensation & Performance Management

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, establishing a company-wide incentive mechanism.



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.



The Incentive Management Guidelines were refined to ensure timely and effective recognition of high-value contributors. In 2024, a series of differentiated incentive programs were introduced, including the "Strategic Major Project Award", "Special Management Award", and "Corporate Honor Incentive Award", covering all employees.

Guided by corporate cultural values, the Company has developed a structured, scientific performance management system based on the principles of objectivity, fairness, equity, differentiated management, matrix management, tiered governance, collective decision-making, and full employee participation. This system ensures a fair and accurate evaluation of both organizational and individual contributions, maximizing engagement and innovation.



The Organizational Performance Management System and Individual Performance Management Systems were further refined, with ongoing enhancements to the digital performance platform, improving process efficiency and performance management quality.



Biannual performance evaluations are conducted for both organizations and individuals, complemented by a structured feedback mechanism that facilitates transparent communication between employees and management.

4.1.8 Employee Benefits & Care

The Company provides all employees with statutory benefits such as paid leave, high-temperature subsidies, only-child allowances, 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 subsidized child medical insurance, summer technology camps, and family day 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 2024, 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 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.



4.1.9 Employee Satisfaction

The Company continuously enhances employee satisfaction by conducting annual employee satisfaction surveys. In 2024, employee satisfaction reached 99%. The highest-rated services were "Self-Service Employee Center" and "Commercial Insurance Services".



4.2 Occupational Health & Safety

4.2.1 Occupational Health Management System

The Company strictly complies with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other relevant regulations. It has established a comprehensive Occupational Health Management Procedure and Personal Protective Equipment (PPE) Management Regulations, covering the entire occupational health process from prevention, ongoing control, to assessment and summary. Clear departmental responsibilities are defined to ensure systematic implementation of occupational health management. Employees are provided with standard-compliant personal protective equipment (PPE), and regular occupational health awareness programs are conducted to strengthen employees' understanding of workplace safety. Ongoing monitoring of occupational hazards is conducted, with all results meeting national standards. Every three years, the Company conducts occupational health status evaluations and hazardous chemical usage assessments. In 2024, the Company recorded zero cases of occupational diseases (including radiation-related illnesses) and occupational contraindications.

Significant investments have been made in process innovations, including the elimination of lead-based production, effectively reducing occupational hazards and safeguarding employee health. Newly constructed facilities strictly comply with occupational health and safety requirements from the outset, mitigating risks at the source. The Company has obtained ISO 45001 certification and continuously refines its occupational health and safety management systems.



4.2.2 Workplace Safety Management System

The Company consistently adheres to the principle of "safety first, prevention as the primary focus, and comprehensive management", implementing the safety production law while establishing a safety production responsibility system. By focusing on safety and emergency professionals, the Company builds a safety management team, improves systems, enforces responsibilities, and encourages full participation. It actively conducts hazard identification and remediation, safety training, emergency response preparations, and other related activities to ensure a steady improvement in safety work, moving towards normalization and professionalization.

A Safety Management Committee is established, led by senior company leadership as the chairman, with clear responsibilities defined at every level to ensure that safety production responsibilities are assigned to each position and process. Strict safety production regulations are established, including: 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 Client Site Explosion Incidents, and Safety Production Costs Extraction and Usage Management System, which not only guide daily operations but are regularly audited and updated to ensure compliance with the evolving production environment and regulatory requirements.

Key Initiatives:

- ✓ Advanced safety protection equipment such as fire systems, explosion-proof devices, and personal protective equipment are provided on production sites to ensure employees work in a safe environment.
- ✓ Regular safety training and drills are conducted to enhance employee safety awareness and emergency response capabilities. A comprehensive hazard identification mechanism is established to monitor potential risks in real-time and carry out timely rectifications, eliminating safety hazards at their inception.
- ✓ Leveraging Safety Production Month and Fire Safety Month as opportunities, diversified safety activities are continuously held through both online and offline channels. Over 7,000 participants engage annually, fostering a culture where "everyone prioritizes safety, and every action emphasizes safety".



4.2.3 Chemical Safety Management

The chemical management system is continuously improved to effectively control the entire lifecycle of chemicals, including procurement, usage, disposal, and storage.

Policies and Regulations:

Chemical Management Regulations, Chemical Inventory, Chemical Usage Specifications

Major Initiatives:

- ☑ A standardized, regulated chemical warehouse is newly constructed with dedicated personnel for management.
- ☑ Based on the properties and risks of chemicals, reliable hardware facilities are configured, including explosion-proof circuits, combustible gas leak detectors, and emergency facilities.
- ☑ A safety "three simultaneities" evaluation is carried out. Through comprehensive identification of hazardous chemicals, no major hazardous sources are identified.
- ☑ Visual management of chemicals is implemented, with areas displaying MSDS, occupational hazard notice cards, on-site disposal plans, and various warning labels. Personal protective equipment is provided to users.
- ☑ Regular chemical safety training and emergency drills are conducted to improve workers' safety awareness and emergency response capabilities.
- ☑ The process and raw materials are gradually optimized, with lead-based solder paste being replaced by lead-free solder paste to reduce safety risks and environmental pollution.

4.3 Product and Service Safety and Quality

4.3.1 Product and Service Safety and Quality Strategies

Governance:

A three-level organizational structure is built to ensure quality responsibility is implemented. At the Company level, a quality process operation department is established to coordinate the formulation and implementation of the Company's quality strategy. At the business department level, a business quality management department is set up to ensure the implementation and tracking improvement of quality management measures. 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. Quality management is also incorporated into the employee assessment system, with 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.

In 2024, the Company passed ISO 9001 Quality Management System certification, GB/T 27922 After-sales Service (Five-Star) certification, GB/T 36073 Data Management Capability Maturity Level 4, Standardized Behavior Excellent 5A, CMMI Maturity Level 5 certification, CNAS accreditation, and became the first domestic company to obtain the SIS Engineering Functional Safety Management System (FSM) certificate.



Strategy:

The Company's quality culture strategy has been put into practice through the optimization of its organizational framework, ongoing improvement of regulatory safeguards, advancement of the quality management system, implementation of quality management actions, dissemination of quality culture, and development of quality management skills, effectively mitigating risks related to product and service safety and quality.

Regulatory Documents: Quality Information Management Measures, Customer Satisfaction Management Measures, Customer Materials Return Management Measures, Non-conforming Product Management Measures, Complaint Handling Management Measures, Data Quality Management Specifications, Quality Event Management Measures, etc.

Product and Service Safety and Quality Risk Analysis:

Types of Risks	Possible Causes and Effects of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Product Quality and Service Risks	Due to hardware and software product quality issues, interruptions in business operations may occur during actual use. This may have a severe impact on the Company's market response and brand reputation (short-term).	Low	High	It may also lead to a decrease in the Company's revenue.	● A quality assurance system covering the entire product lifecycle was established, including: quality management supervision and feedback systems, and quality management performance responsibility targets.
	Issues related to raw material and component supply and quality, or shortages or price fluctuations in raw materials and components, may affect our business, operational performance, and financial condition (short, medium, and long-term).	Low	High	It may also lead to a decrease in the Company's revenue.	● An emergency preparedness and response mechanism was set up, with emergency response plans formulated and drills conducted, alongside the formation of an emergency team available 24/7.
	Delayed services, insufficient resource allocation, or inadequate capabilities may result in subpar service quality, triggering customer complaints or decreased customer satisfaction. This may impact the progress of users' projects or production, leading to economic losses (short, medium, and long-term).	Medium	High	It may also lead to a decrease in the Company's revenue.	● The Complaint Handling Management Measures was formulated, a dedicated complaint hotline was set up, and the complaint process was standardized. ● A network of 5S store service points was established across the park, providing 24/7 professional services. ● An ecosystem was developed, with entry and control mechanisms in place to enhance service capabilities and improve resource utilization.

Impact, Risk, and Opportunity Management:

Risk Identification: Utilize methodologies such as SWOT analysis (identifying strengths, weaknesses, opportunities, and threats), brainstorming, FMEA (Failure Modes and Effects Analysis), process analysis, and 5M1E (Man, Machine, Material, Method, Measurement, Environment) factor analysis to identify risks and opportunities affecting quality processes, activities, products, and services. This assessment encompasses key stages across the entire value chain, including planning, contracting, product design, procurement, production, logistics, services, equipment, and change management.

Risk Assessment: Evaluate product and service safety and quality-related risks and opportunities based on the likelihood and severity of their occurrence. Develop quantitative risk assessment indicators by analyzing the frequency of adverse events, enabling prioritized risk ranking.

Risk Response: 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 restructured a multidimensional quality indicator system, refining the four key process domains - LIC, IPD, ISC, and D&S - identifying over 200 quality control points. Continuous optimization efforts have been undertaken to mitigate quality risks further.

☑ The Company also initiated the streamlining and enhancement of quality data governance processes, issuing foundational documents such as the Data Management Charter, Data Management Framework, and Data Quality Management Guidelines to strengthen corporate quality data management capabilities.

☑ In alignment with operational and business management needs, the BI quality management operational analysis module, quality performance dashboards, and quality analysis reports were optimized, improving data analysis efficiency and transparency while enhancing monitoring and early warning capabilities to support informed decision-making.

☑ Continuous efforts were made to collect, analyze, and improve quality data, establishing structured workflows for handling anomalies, complaints, and after-sales services, ensuring timely follow-up and resolution per established requirements.

Risk Monitoring: Establish a risk tracking and management mechanism for product and service safety and quality risks. Regularly monitor, measure, analyze, and evaluate results and process systems to ensure continuous risk control and improvement.

Indicators and Targets

Category	Key Metrics	Fiscal Year Progress
Product Quality Management	The annual customer satisfaction score, as assessed by a third-party survey, has consistently been no less 85	During the reporting period, the Company's customer satisfaction score (as assessed by Industrial Control Network) 89.5
	The product factory acceptance rate was 100%	For the reporting period, the Company's product factory acceptance rate was 100%
	The quality management system was continuously improved, with quality and safety education conducted annually for all employees. The "continuous improvement for excellence" quality culture was promoted, and quality improvement activities was carried out regularly to enhance service quality.	During the reporting period, the "Leading the Future with Exemplary Operations and Quality" Quality Month activity was continuously held, with activities such as knowledge competitions and quality story contests, promoting the quality culture of "Pursuing Excellence through Continuous Improvement".
Product Safety	0 major safety incidents related to products/ services each year	In 2024, the Company had zero major safety incidents related to products/services.

4.3.2 Quality Improvement and Safety Assurance Measures

A quality management system was established, covering key links from product development, manufacturing, engineering services, to after-sales service, with continuous deepening of total quality management.

☑ **Product Development:** Establish a thorough product development decision-making mechanism focused on business success, ensuring a decision coverage rate exceeding 95%. Collaborate across multiple domains, including R&D, manufacturing, procurement, sales, and engineering services. Strengthen the competency development of critical roles like product managers and marketing representatives to enhance product marketing and delivery capabilities, thereby building a market competitive edge defined by optimal costs, superior quality, and robust profitability.

☑ **Manufacturing:** Implement Quick Response Quality Control (QRQC) tools to efficiently resolve on-site quality issues, establish a layered audit mechanism (LPA) to ensure quality management is effectively implemented at every stage.

☑ **Engineering Services:** Develop a full-process project monitoring and precise prevention mechanism to ensure compliant project delivery. Continue to deepen the risk management mechanism, enhancing project safety awareness, and building an "engineering city wall". Set up special quality assurance standards and monitoring measures for S-level client projects to effectively improve customer satisfaction.

☑ **After-Sales Services:** Continuously improve after-sales service quality, establish SOP standardization, and achieve a five-star after-sales service certification continuously.

☑ A quality data information monitoring system was implemented, constructing a business intelligence (BI) platform for quality data, providing intuitive visual interfaces to deeply analyze data value, supporting business decisions.

☑ Advanced quality management technologies and methods, such as Six Sigma, QCC, and Lean, was integrated and applied in a tiered manner to address and solve various issues, helping improve quality, reduce costs, and increase efficiency.

☑ The "Leading the Future with Exemplary Operations and Quality" Quality Month activity was continuously held, with activities such as knowledge competitions and quality story contests, promoting the quality culture of "Pursuing Excellence through Continuous Improvement".



4.3.3 Quality Management Supervision and Feedback Mechanism

With a customer-centric approach and quality goals leading the way, we employ quality supervision as a method to reinforce quality monitoring and alert systems. Our commitment to digital development enhances our ability to trace quality issues and increases the efficiency of analyzing and addressing anomalies.

☑ A three-level linked supervision mechanism was established, with regular product and project quality monitoring, system audits, project audits, product testing, inspections, and the preparation of regular quality briefings.

☑ A comprehensive quality supervision system covering the entire process of product research and development, production, project design, and construction was established to promptly detect and address issues.

☑ An S- PSC continuous improvement mechanism was implemented, building a standard baseline and forming an efficient, standardized, and systematic improvement mechanism.

☑ Emergency responses were accelerated by introducing an intelligent AI system, building a new integrated 400 platform, and launching the after-sales service robot "Smart SUPCON" for one-stop service.

☑ Multiple feedback channels were established for both customers and employees, with all feedback promptly handled and used to improve products and services.

☑ The advantages of 5S stores were leveraged to listen to real-time customer feedback, analyze, and resolve issues.

4.3.4 Quality Certification and Honorary Medals

Establish and improve the product lifecycle management system, developing distinct management strategies and activities for various stages including product design, manufacturing, logistics and transportation, engineering and services, and product discontinuation.

Product Design Phase: Integrate sustainability principles into product planning and development. Make high-quality investment decisions that focus on high-value and high-responsibility product investments. By focusing on market demand, social requirements, and environmentally-friendly needs, strengthen technological control points, reduce product costs and carbon footprints, and continuously enhance the product's competitive differentiation.

Product Manufacturing Phase: Minimize the environmental and employee health impact during the product manufacturing process.

Product Use Phase: Develop different after-sales service systems and standards based on the product's lifecycle stage. Continuously improve and adjust services according to customer after-sales needs.

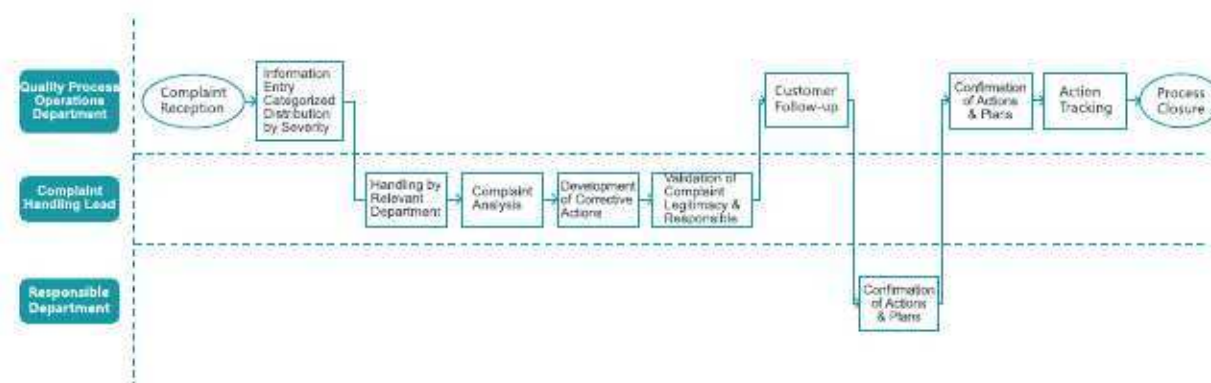
Product Logistics and Transportation/Warehousing Phase: Plan inventory distribution logically and reasonably. Optimize packaging design to reduce material consumption and lower transportation costs.

End of Product Lifecycle (Recycling, Disposal, and Treatment Phase): Establish a unified product lifecycle management system to address the impacts at various stages of the product lifecycle. This system aims to help customers manage the transition when the product lifecycle ends.

4.3.5 Complaint Management

Continuously optimize the customer complaint handling process, improve and release the Complaint Handling Management Measures, establish complaint classification and grading standards, clarify the complaint handler's responsibilities, emphasize local principles, and ensure rapid responses. During the reporting period, the Company conducted complaint handling process training and problem analysis sessions to further enhance the capability to address complaints. The customer complaint resolution rate reached 100% during the reporting period.

Complaint Handling Process:



4.3.6 Customer Satisfaction

The measurement of product and service quality is primarily based on customer satisfaction, and efforts are made to continuously enhance the customer satisfaction evaluation framework. 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.

Establish an organization led by the Quality Management Department, encompassing customer satisfaction evaluation, Lean Six Sigma management, emergency handling of significant customer site incidents, abnormal event management, issue resolution, and continuous improvement to support customer satisfaction evaluation and enhancement.

Develop the Customer Satisfaction Management Measures and combine process, result, and third-party satisfaction measurement at various stages to enhance the Company's ability to scientifically manage the entire process. Process Satisfaction: To ensure better customer delivery quality, the Company established a dedicated VOC (Voice of Client) department, proactively collecting customer feedback across 14 dimensions, such as project plans, product delivery, services, and overall experience, to address customer pain points during project implementation and improve delivery quality. A customer satisfaction score of 89.5 in 2024 by third-party (Industrial Control Network) evaluations in 2024.

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 2024, the remote technical support resolution rate for user issues was 93.01%, and after-sales service satisfaction 98.2.

Building an After-sales Intelligent Service Platform

The Company has introduced AI Technology and launched the after-sales service robot "Smart SUPCON" to initiate intelligent after-sales service. In 2024, the "Smart SUPCON" robot achieved a first-time resolution rate of 77.57% 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

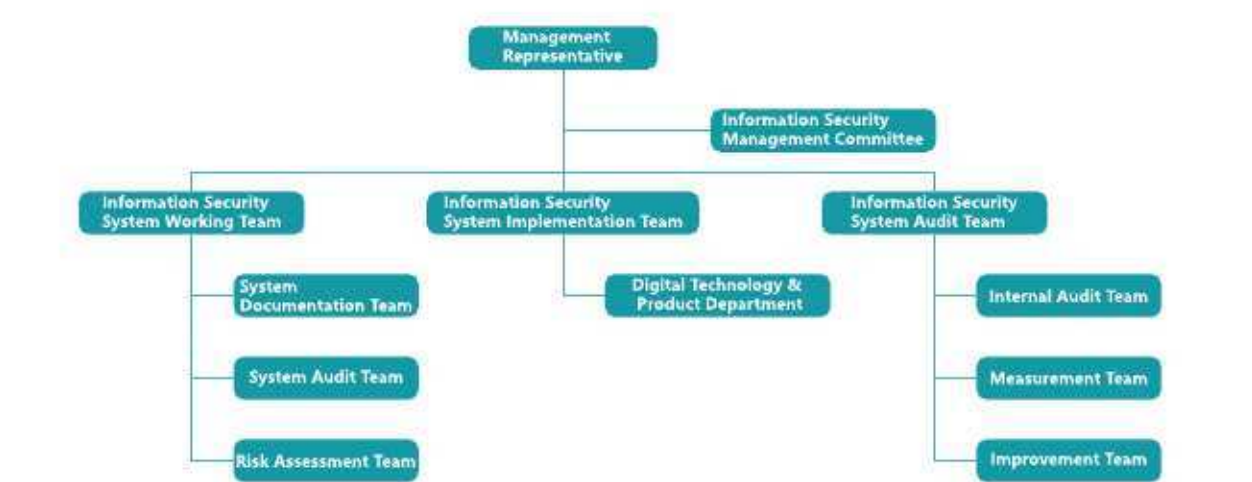
Standard Operating Procedures (SOP), such as the Overseas Fault Handling Response Guidelines and Overseas Telephone Handling Guidelines, are created to streamline multi-channel after-sales support pathways and enhance global service quality.

4.4 Data Security and Customer Privacy Protection

Governance:

An Information Security Management Committee (ISMC) is established, with the Company's Vice President serving as the Chair and department heads as committee members. The ISMC is fully responsible for the formulation and implementation of the Company's information security strategies, policies, and measures. Through continuous improvement of the information security management system, the Company effectively manages and addresses various information security risks, enhancing overall information security levels to ensure business continuity, integrity, and confidentiality. Each department (subsidiary) is responsible for implementing information security responsibilities, with clear accountability and a designated information security officer in every department, who regularly reports on the progress of information security management to the ISMC, ensuring efficient communication and problem-solving mechanisms.

Organizational Structure of the Information Security Management Committee:



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, formulating 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 physical hardware damage in data storage media and vulnerabilities in access management	Low	High	Potential increase in operational costs	A multi-layer storage architecture and remote disaster recovery are built, with regular inspections, tiered backups, and recoverability 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 Data 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	Potential increase in operational costs	A proactive defense system is implemented, deploying antivirus software, 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, a specialized data security management platform is deployed, and a multi-level security defense mechanism is established.

Impact, Risk, and Opportunity Management:

Risk Identification: 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, ensuring proper data labeling Employing data masking, encryption, and other techniques to ensure data privacy based on different data usage entities
- Strictly adhering to relevant laws, regulations, and supervisory requirements by standardizing data security audit processes, document templates, and compliance guidelines at the organizational level, as explicitly defined and recorded in the Data Security Audit Management Measures Conducting regular data security audits as required by the Data Security Audit Management Measures, producing audit reports, identifying non-compliance issues, and providing corrective recommendations. The audited entities are responsible for implementing corrective and preventive measures

☑ Customer Privacy Protection: implementing a classification management system for personal information protection, strengthening impact assessments, and establishing a comprehensive incident response mechanism. Adopting advanced technical measures, such as physical 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

Metrics & Targets

Category	Key Metrics	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.
	A comprehensive security assurance system integrating business, products, data, and IT is established. The data security protection system has been enhanced to meet security compliance and certification requirements. 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 has established an Information Security Management Committee, issued multiple policy documents, and continuously improved the committee's establishment and function.
	Data security-related management measures and policies were developed, and systems for managing data security were established. A data classification and hierarchical control plan was implemented, with regular data security inspections and relevant certifications conducted.	The Company has adhered to the Data Security Management Measures and implemented data classification and hierarchical control during the reporting period.

4.5 Innovation as a Driving Force

Governance:

Building on deep insights and cutting-edge innovations in the process industry and industrial A1 sector, SUPCON actively reshapes the industry landscape, drives industry transformation, and deeply integrates AI technology into the core processes of industrial automation. Through innovations in clean technology, the Company seeks to redefine traditional technological boundaries, being the first to apply AI technology in industrial automation, leading the industry into the AI era.

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.	- 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.	

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:

- ☑ Utilizing the Product and Technology Committee to ensure that the Company's investment in technological innovation aligns with its strategic development needs through annual product and technology management meetings
- ☑ Establishing a comprehensive product development decision-making mechanism aimed at commercial success, achieving over 95% coverage in product development decisions
- ☑ Adopting a cross-functional development model integrating R&D, manufacturing, procurement, sales, and engineering services 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
- ☑ Planning and developing an Industrial AI Innovation Laboratory to create data- and AI-driven application scenarios that comprehensively showcase the customer value chain of products
- ☑ Fully advancing the implementation of the IPD transformation by organizing seven company-wide transformation initiatives involving over 760 participants across multiple business domains, including product strategy, portfolio planning, competitive positioning, cost optimization, and go-to-market strategies. More than ten 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

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 7.73% 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 UCS and TPT, setting new benchmarks for intelligent green technology.

4.5.1 R&D Management System and Platform

Based on integrated IPD, CMMI, V&V, testing and validation, and reliability validation frameworks, SUPCON has innovatively introduced the SUPCON SupIPD system. The SupIPD system enhances product planning capabilities, ensuring alignment with market trends and corporate strategy. It incorporates product lifecycle states and plans product portfolios and roadmaps accordingly to ensure the correct direction of product development. Strict quality design measures are applied throughout the product development process, with technology review points incorporated, and technology maturity and risk assessments are conducted at investment decision points. Adjustments are made as necessary to ensure the final output meets expectations.

The Company has established a diverse organization to ensure the effective implementation of the SupIPD system, including the SupIPD heavyweight team, IPD transformation group, and EPG R&D engineering process improvement group.

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. In 2024, the company filed 346 new patent applications and obtained 134 granted patents. The Company reported no major intellectual property infringement cases during the reporting period.



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: Type I Risk: The risk of the Company infringing upon the intellectual property rights of other organizations or individuals. Type II Risk: The risk of other organizations or individuals infringing upon the Company's intellectual property rights.

- 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 Innovations⁵

Leveraging deep domain expertise, extensive data resources, advanced algorithms, and diverse application scenarios, the Company is accelerating its strategic transition into an industrial AI enterprise, pioneering the development of an industry-leading "1+2+N" Industrial AI Architecture: Redefine Enterprise Intelligent Operation. "1" represents the findustrial operating system, supOS, which provides unified industrial data integration and serves as a robust data foundation for industrial AI. "2" signifies two core large-scale models: The Time-series Pre-trained Transformer (TPT), which enables Process Automated (PA) in enterprise production. The Hyper Graph Transformer (HGT) Model, which drives Business Automated (BA). N refers to multiple industrial agents covering a wide range of industrial applications. These agents function as specialized "task forces" within smart factories, optimizing their respective domains through collaboration, thereby enhancing plant intelligence and efficiency.



During the reporting period, SUPCON unveiled two groundbreaking innovations: the world's first Universal Control System (UCS) and the first AI-powered Time-series Pre-trained Transformer (TPT) for process industries, marking the beginning of their industrial-scale deployment

The UCS revolutionizes the traditional DCS (Distributed Control System) architecture, which has remained largely unchanged for nearly 50 years. Built on an ultra-simplified Cloud-Network-Edge architecture, it is software-defined, fully digital, and cloud-native, unlocking the full potential of automated control. Under this new architecture, Nyx, the first UCS product, was introduced. Nyx delivers immense industrial application value by integrating Control Data Centers, All-Optical Deterministic Networks, and Intelligent Devices into a minimalistic framework, effectively eliminating the need for hundreds or even thousands of control cabinets. This results in a 90% reduction in control room space, an 80% decrease in cabling costs, and a 50% shorter project implementation cycle.

The TPT model disrupts the conventional fragmented industrial application landscape by shifting from N models for N applications to a single foundational model supporting multiple applications. TPT production systems with an intelligent core, enabling autonomous reasoning, predictive insights, and real-time optimization akin to expert decision-making, thereby enhancing efficiency, operational stability, and profitability while addressing previously unresolved challenges.

⁵For more details on the Company's products and solutions, please refer to the 2024 Annual Report.

4.5.4 Responsible Investment

The Company integrates ESG (Environmental, Social, and Governance) factors into its investment decision-making framework, conducting comprehensive and precise evaluations of investment targets' sustainability risks and opportunities to ensure informed investment decisions that yield long-term financial stability. During investment decision-making, the Company rigorously assesses whether projects align with its impact-driven mission and strategic objectives - specifically, fostering advancements in industrial automation, intelligent manufacturing, and clean technology, while prioritizing environmental protection and social responsibility to ensure adherence to sustainability principles. All company investments fully comply with responsible investment standards and procedures. The investment focuses on core business areas and is committed to helping process industry enterprises realize digital transformation and intelligent manufacturing.

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

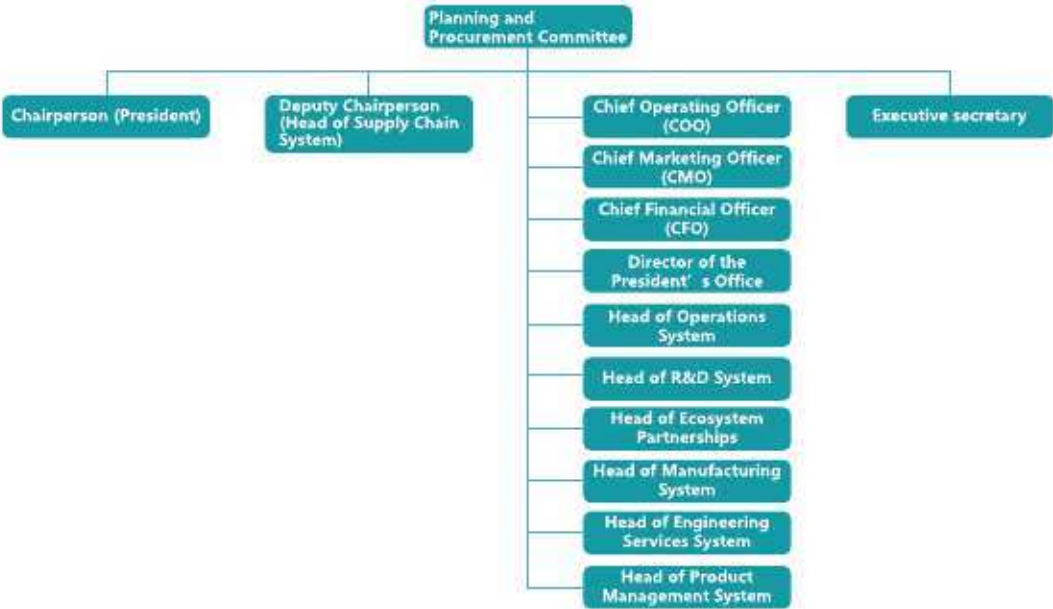
4.6 Supply chain security

4.6.1 Supply Chain Management System

We have incorporated supply chain security into the ESG strategic framework, ensured that ESG concepts are fully implemented in the process of resource acquisition through risk identification of the whole chain upstream and downstream of the industrial chain as well as compliance management of suppliers, and enhanced supplier trust through a transparent and traceable supply chain governance mechanism, helping to build a more inclusive industrial ecosystem.

Governance:

At the core of this governance structure is the Procurement and Planning Committee, which oversees cross-departmental coordination. Encompassing several sectors, the Committee enhances supply chain resilience by implementing specialized roles and a joint decision-making mechanism. The Committee is composed of senior personnel with experience in supply chain management, risk control and industry, and its authority covers the entire process of strategic planning, resource allocation, risk control and compliance supervision. The committee is responsible for formulating, approving, and deciding annual Sales & Operations Planning (S&OP) initiatives, monitoring its implementation, identifying major supply risks according to the dynamics of demand and supply, and addressing mid-to-long-term supply-demand gaps. It ensures that business continuity measures align with sustainability objectives. 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:

Following an ESG-oriented approach, the Company systematically identifies supply chain risks and opportunities, implementing targeted strategies to enhance production-sales synergy, minimize waste, and optimize resource allocation. 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.	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.
	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.	Furthermore, we have established a Supply Chain Contingency Response Plan to enhance our emergency response capabilities in order fulfillment and material security.
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.	- 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.	- 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.

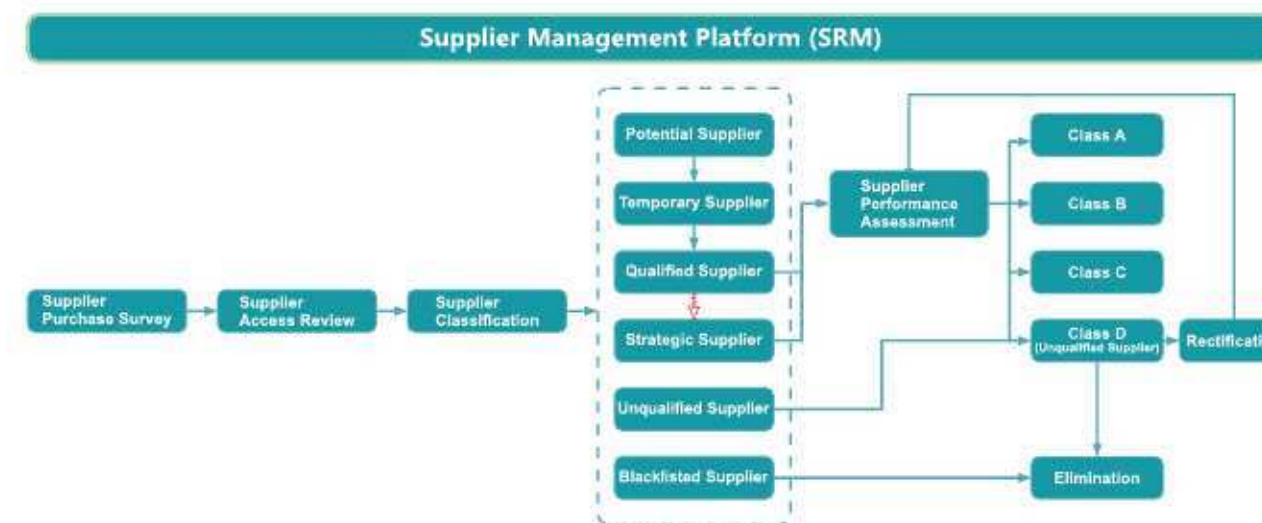
Risk Monitoring: A supply chain security risk tracking and management mechanism is established to continuously monitor, measure, analyze, and evaluate both process performance and outcome effectiveness at regular intervals.

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 measures have been integrated into the supplier lifecycle management process. During the reporting period, green and low-carbon initiatives were incorporated into supplier assessments.
	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. Upholding the principles of integrity, shared benefits, and mutual prosperity, it fosters long-term, collaborative partnerships with suppliers. ESG are integrated throughout the entire supplier management lifecycle, working jointly with suppliers to build a sustainable supply chain ecosystem. During the reporting period, more than 327 suppliers were evaluated for performance, and 4 suppliers were downgraded to unqualified suppliers because they failed to meet the performance evaluation standards, and the cooperation was terminated.





Supplier Procurement Survey

The Company has made sustainable procurement surveys a key element of supplier procurement surveys, including: labor and human rights, conflict minerals, business ethics, environmental protection, and occupational health and safety.



Supplier Admission Assessment

Strict supplier admission criteria are enforced, incorporating evaluations of suppliers' environmental and occupational health and safety management systems (ISO 14001, ISO 45001), safety incident records, and other key factors. Suppliers are required to sign the Conflict-Free Minerals Commitment, Safety and Environmental Protection Agreement, Integrity Agreement, and Supplier Environmental/Occupational Health and Safety Management Guidelines.



Supplier Classification and Tiering

A comprehensive evaluation system is in place to assess suppliers based on pricing, quality, delivery capabilities, system maturity, commercial cooperation, and after-sales service. Through multidimensional assessments, suppliers meeting the Company's evaluation standards are onboarded and categorized according to procurement needs and their collaboration history.



Supplier Performance Assessment

At least once a year, suppliers receive a performance evaluation, with sustainability factors such as conflict minerals, environmental protection, and occupational health and safety serving as key assessment criteria. Different supplier categories are subject to tailored management and penalty mechanisms to guide them toward sustainable, eco-friendly, and responsible long-term cooperation.



Supplier Elimination Mechanism

An effective supplier elimination mechanism has been established to remove suppliers who, after remediation, do not meet performance criteria, experience critical quality failures, major safety incidents, or result in significant financial losses and unfavorable social repercussions.



Supplier Rectification

A formal Supplier Rectification procedure has been implemented to address non-conformities identified during on-site audits or performance evaluations, particularly for high-risk suppliers. The program aims to resolve issues, prevent recurrence, and mitigate procurement risks.

4.6.3 Supplier Sustainability Training

Regular training sessions on health, safety, and environmental protection are conducted for suppliers involved in on-site installation, construction, and plant-based services. During the reporting period, 22% of suppliers in installation, transportation, and packaging sectors participated in these training.

4.6.4 Treating Small and Medium - sized Enterprises Equally

The company treats SME partners fairly, strictly abiding by laws to ensure supply - chain compliance. As of the reporting date, the company's accounts payable balance (including bills payable) did not exceed 300 billion yuan and its proportion of total assets did not exceed 50%.

4.6.5 Supply Chain Security and Stability

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. By closely monitoring risk material fluctuations, the Company maintains strategic reserves of critical materials and promotes multi-tiered substitution plans. No material shortages occurred during the reporting period.

4.6.6 Conflict Minerals

The Company conducts due diligence on conflict minerals within its supply chain and has publicly released a Conflict Minerals Management Statement on its official website. It is committed to responsibly sourcing tin, tantalum, tungsten, gold, cobalt, and other mineral resources, integrating conflict minerals management into supplier certification and procurement processes.

- ☑ Conflict minerals assessment is incorporated into the supplier admission process.
- ☑ Suppliers are required to refrain from procuring conflict minerals and adhere to DRC Conflict-Free standards. Suppliers must also adopt the same due diligence measures and collaborate with upstream and downstream partners to ensure a conflict-free supply chain.
- ☑ Additionally, suppliers must sign the Conflict-Free Minerals Commitment as part of the admission process.
- ☑ Conflict-free commitments and breach liability clauses are embedded within procurement contracts.

4.7 Social Contribution

4.7.1 Employment Generation

In 2024, the Company created approximately 300 new jobs. The Company has provided nearly 50 employment opportunities for university graduates in 2025. The Company collaborates with leading academic institutions, including Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, China University of Geosciences (Wuhan), Beijing University of Chemical Technology, Hebei University of Technology, Southwest University, Southwest Petroleum University, and Hefei University of Technology. Through industry-academia partnerships, corporate visits, joint education programs, and faculty exchanges, the Company actively expands its campus recruitment channels, fosters university-enterprise collaboration, and promotes employment opportunities for graduates.



4.7.2 Actions for the Public Good



A 21-Year Commitment: Demonstrating the True Meaning of Love Through Blood Donation – the Company has continuously organized the "Blood Donation for July 1st" initiative, with a total of 14,100 ml of blood donated in 2024.



A 17-Year Dedication to Philanthropy - Annually visiting the Hangzhou Love Deaf Children's Speech Training Center to support hearing-impaired children, delivering care packages that include milk, biscuits, candy, bread, as well as educational supplies such as picture books, oil pastels, and teaching aids.



We organized 3 emergency rescue skills training and examinations, and a total of 66 persons obtained emergency rescue skills qualification certificates, which have helped build up emergency responders for the society.



SUPCON "Firefly" Volunteer Service Initiative - Engagement at Hangzhou Grand Theatre



The Company organized a clothing donation campaign themed "Where There Is Love, There Is Warmth", providing winter essentials and care packages to underprivileged communities and children in Guizhou.



The Company has hosted the "Green Planting, Embracing Spring" tree-planting initiative.



The Company consistently contributes to higher education by donating teaching equipment and granting free software usage rights to institutions like Guangxi Transportation Vocational College, Chongqing Institute of Chemical Technology, Yongcheng Vocational College, Jiaxing College, and Shenyang Engineering University.



The Company actively contributes to rural revitalization by supporting educational projects in disadvantaged areas, working in collaboration with the Zhejiang Zhihang Education Foundation to provide targeted technological teaching assistance.



4.8 Ecosystem Sharing

4.8.1 Promote Industry Development through Industry Organizations

Through various external social organizations, we participated in the development of industry self-discipline management and standard systems, increased exchanges and learning, and expanded open cooperation to promote industry development. By the end of the Reporting Period, we had joined 90 Chinese and international social organizations. SUPCON is the vice presidential unit of national social organizations such as China Instrument and Control Society and China Association for Mechatronics Technology and Application. SUPCON is also the chairman and office support unit of Zhejiang Automated Meter and Instrument industry Association. We have formulated the Guidelines for Joining External Social Organizations in the Name of the Company to clarify the corresponding management responsibilities and work processes and coordinated resources of the Company from all aspects to actively join external social organizations through industry organization channels to assist industry development.

4.8.2 Ecosystem Collaboration

Committed to an open partnership philosophy, SUPCON is dedicated to building a comprehensive ecosystem that fosters excellence and leads the innovation of intelligent manufacturing. Focusing on customer needs and the core objectives of "safety, quality, Green, and Profit", SUPCON continuously advances technological and business model innovations, injecting tremendous momentum into ecosystem development. During the reporting period, the Company officially released the Ecosystem Development Strategic Plan (2024-2026), setting the stage for a new round of ecosystem-driven growth, transformation, and innovation. SUPCON launched the global ecosystem partnership initiative "Cluster", along with a series of ecosystem collaboration initiatives, marking the beginning of a new era of digital-intelligent innovation driven by ecosystem synergies.

Looking ahead, SUPCON's ecosystem strategy will center on five key domains: product technology, global channels, next-generation services, an integrated supply chain, and academic research institutions. Grounded in a platform-based empowerment approach, the strategy prioritizes co-creation and shared value, fostering a digital-intelligent ecosystem that enables continuous evolution with partners. By co-developing with ecosystem partners, Supcon enhances customer value experiences through continuous iteration, driving a win-win model for all stakeholders and contributing to a sustainable value cycle for society.

Vision of Win-Win Cooperation

Gather talents and wisdom, pool efforts to move forward, assist customers in achieving success, propel the industry's upgrading, and take bold responsibility for social responsibilities.



The Company has launched the SUPCON global ecosystem partnership initiative, "Cluster", to advance ecosystem development and build a thriving digital ecosystem.



It also introduced the "Ethernet-APL Ecosystem Partnership Program", setting new industry benchmarks in industrial intelligence.



Release of the STEP Ecosystem Partner Certification System



The Company has established comprehensive strategic collaborations with Yonyou and Bluetron, co-developing a blueprint for the digital-intelligent era.



The Company has partnered with Dahua Technology to establish a joint laboratory, driving innovation and application of visual AI technology.



The Company has signed a strategic cooperation agreement with Hangzhou DEEP Robotics, exploring broader applications of robotics in process industries and conducting joint research on comprehensive process industry solutions.



"Positioning Education at the Forefront of Technology" - We hosted the 18th Zhejiang University Student Chemical Engineering Design Competition in collaboration with the Zhejiang University Student Science and Technology Competition Committee, contributing to solving key technical challenges in process simulation.



SUPCON SCADA offers a free license for 50,000 data points, lowering the entry barriers for small and medium-sized enterprises to access advanced industrial automation technologies. This initiative fosters a more dynamic industrial ecosystem, driving technological progress and diversified development across the industry.

4.8.3 Enhancing Brand Influence

We have developed the 2024 Brand Strategy Plan, accelerating the Company's transformation into an Industrial AI brand while fostering seamless integration between parent and subsidiary brands. The strategy clearly defines key transformation objectives and pathways. By leveraging diversified internal and external resources, SUPCON maximizes brand value, enhancing recognition and influence in the Industrial AI sector.

Expanding Global Horizons -The New Industrial AI Brand Identity Shines Worldwide

We have built a global communication framework to drive international business expansion and reinforce brand impact on a global scale. Anchored in the "AI+" strategy, the Company has organized a series of high-profile events including the Global Product Launch in Singapore, the China International Petrochemical Conference (CPCIF) sub-forum, the unveiling of the Petrochemical AI Model, and dedicated promotional conferences for the subscription-based model. The Company has also actively participated in internationally renowned forums such as ARC, ADIPEC, the Global Digital Trade Expo, and the China International Software Development Conference. Through these initiatives, the Company has effectively showcased its AI-driven transformation strategy and groundbreaking Industrial AI applications. SUPCON's new Industrial AI brand across global platforms reinforces its leadership in the sector, unlocking the potential of Industrial AI and fortifying its global market presence.



Establish a global media matrix that is recognized by the industry for its leadership and disruptive impact, creating a high-energy platform for global brand communication

In 2024, leveraging forward-looking strategic vision and disruptive innovation, the Company has expedited the development of an integrated global and self-media matrix. Through multi-channel dissemination, it has amplified the reach of its corporate strategy, core business, and brand philosophy, further solidifying its international brand image. Key initiatives include securing prominent placements of flagship products UCS and TPT in internationally acclaimed journals, establishing benchmark Industrial AI cases and lighthouse factories, and demonstrating the Company's thought leadership, technological prowess, and industry breakthroughs. With extensive media coverage from Xinhua News Agency, Xinhua Net, Caijing, Harvard Business Review, and PR Newswire, the Company has achieved over 6,000 global news reprints, with traceable readership exceeding 8.3 million and potential audience reach surpassing 290 million. These milestones underscore the Company's unparalleled leadership in Industrial AI and sustainable development.



V. Topics on Governance in Sustainable Development

Upholding corporate governance as a fundamental pillar of sustainable development, the Company adheres to the principles of ethics and integrity, strictly complies with applicable laws and regulations, and has established a comprehensive system for transparency, compliance, anti-corruption, and business ethics management. An efficient and transparent governance and decision-making mechanism ensures long-term, stable operations and a reputation as a respected enterprise.

5.1 Board of Directors

5.1.1 General Meeting of Shareholders

In 2024, the company held five shareholders' meetings, four extraordinary and one annual, approving 19 proposals. The four extraordinary meetings in 2024 approved ten proposals, including the election of an independent director for the Sixth Board and changes to the company's business scope and articles of association.

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

5.1.3 Board Independence

The board consists of 7 members, including 3 independent directors, accounting for 42.86% of the total. External directors constitute 6 members, representing 85.71% 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.

5.1.4 Supervisory Board

The Supervisory Board serves as the Company's oversight body, accountable to all shareholders. The board consists of three members, including one employee representative accounting for 33.33%, and two female supervisors, representing 66.67%.

Supervisors actively attend Supervisory Board meetings and participate in board and shareholder meetings. In accordance with the Company Law of the People's Republic of China, the Company's Articles of Association, and the Supervisory Board Rules of Procedure, they diligently perform their duties, exercising comprehensive oversight over corporate operations, financial conditions, related-party transactions, major decisions, and the compliance of directors and senior executives. This ensures the protection of shareholders' legal rights and interests.

5.1.5 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. For the second consecutive year, the Company has received the highest A-rating (Excellent) from the Shanghai Stock Exchange for its information disclosure practices.

During the reporting period, the Company held or participated in seven earnings calls and investor open days, organized and attended over 350 investor engagement activities, and hosted more than 4,000 institutional investors. Additionally, the Company actively engaged with international investors in Singapore and Switzerland, expanding its global influence and visibility.

5.2 Anti-Bribery and Anti-Corruption

The Company upholds the highest standards of business ethics, maintaining zero tolerance for corruption and bribery. It regards anti-bribery and anti-corruption as a strategic priority in corporate management, fostering a corporate culture of transparency, integrity, and ethical business conduct. A governance framework centered around the Compliance and Integrity Committee has been established, integrating institutional controls, process oversight, and cultural development. This multidimensional approach strengthens compliance defenses and promotes a more responsible and sustainable corporate governance model. No significant violations, including corruption or commercial bribery, were identified during the reporting period.

Governance:

A Compliance Committee has been established, chaired by the Company's President, with key department heads serving as committee members. The committee is responsible for the overall management of the Company's anti-bribery initiatives, overseeing the planning and execution of anti-bribery measures, addressing significant commercial bribery incidents, strengthening employees' compliance awareness, and serving a supervisory, advisory, and safeguarding role. This framework provides strategic support for the Company's compliant operations, balanced growth, and sustainable development.

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. The targets for 2024 have been achieved.

Strategy:

Drawing from the results of our analysis of anti-bribery and anti-corruption risks and opportunities, the Company works with the Integrity Committee to refine related regulations, proactively managing these risks and establishing a robust integrity safeguard. Such as: Administrative Provisions on Anti-commercial Bribery, Administrative Provisions on Anti-functional Misappropriation, Administrative Measures on Compliance Reporting, Administrative Measures on Compliance Investigations, Code of Business Conduct, Circular on the Regulation of the Management of Acceptance and Giving of Gifts and Hospitality, etc.

Risk Analysis Related to Anti-Commercial Bribery and Anti-Corruption:

Types of Risks	Possible Causes and Effects Of Risks	Likelihood	Severity	Financial Implications	Mitigation Measures
Risk of Commercial Bribery or Fraud	Employees facing internal and external temptations may engage in corruption and bribery due to weak compliance awareness. In severe cases, this could lead to criminal liability and have a profound impact on the Company's operations and brand reputation over the short, medium, and long term.	Low	High	Potential consequences include increased operational costs and adverse effects on business performance.	- Regular training on business ethics to enhance the awareness and ability of key personnel to perform clean jobs - Open reporting channels to stakeholders and timely handling of reported incidents related to responsible marketing - Continuous improvement of anti-commercial bribery related system, strict integrity requirements in all links - Strict supervision of key positions and personnel

Impact, Risk, and Opportunity Management:

Risk Identification: Through industry analysis, expert consultations, and other methodologies, the Company comprehensively identifies risks and opportunities related to anti-bribery and anti-corruption, forming a structured risk inventory.

Risk Analysis: The Company conducts an in-depth assessment of anti-bribery and anti-corruption risks and opportunities based on their likelihood and severity, and establish quantitative risk assessment metrics by analyzing the frequency of adverse events and prioritize risks accordingly.

Risk Mitigation: The Company integrates anti-bribery and anti-corruption risk management into its full-cycle operational process, while establishing a closed-loop system of "prevention-monitoring-response" to effectively mitigate and address various related risks. For Example:

- ⊕ Create a procedure for reporting conflicts of interest and facilitate annual submissions from each department
- ⊕ Implement a mechanism for investigating reports of misconduct, with a joint task force from various departments to conduct compliance audits
- ⊕ Set up and publicly disclose a whistle blowing hot line and email address (lianzheng@supcon.com) to encourage employees and business partners to report corruption, bribery, and other actions detrimental to the Company's interests
- ⊕ Mandate the signing of the Compliance Commitment Letter by all employees, achieving a 100% signing rate during the reporting period. Conduct thorough reviews of personnel in key positions, ensuring the signing of the Integrity Commitment Letter, and require suppliers to sign the Integrity Agreement
- ⊕ We organized anti - commercial bribery and anti - corruption training for all staff, with a total of 5,264 attendees
- ⊕ We have established whistleblower protection policies and regulations. We prohibit discrimination or 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 prohibit discrimination or retaliation against or harassment of persons involved in the investigation of such report or complaint. We provide effective protection of the informant during the whistleblowing process, whether violations are reported under real name or anonymously. Anyone who is found to have committed discrimination or retaliation against or harassment of the informant will be seriously treated.

Risk Monitoring: Create a system for tracking risks associated with anti-bribery and anti-corruption; implement periodic compliance training and audits for critical roles to effectively address these risks

Indicators and Targets

Category	Key Metrics	Fiscal Year Progress
Business Ethics Management	Regular business ethics training is conducted to ensure 100% participation	During the reporting period, 100% of employees completed business ethics training
	The Company continues to advance compliance management systems in key operational areas, safeguarding legal rights in business activities and mitigating operational risks.	All employees are required to sign the Compliance Commitment Letter, while essential personnel and positions sign the Integrity Commitment Letter, to establish a management system of "Prevention - Oversight - Resolution"

5.3 Anti-Unfair Competition

Through top-level governance design, end-to-end risk prevention, and digital tools, a dynamic compliance management system has been developed, transitioning from passive compliance to proactive risk defense. This initiative not only strengthens core asset security but also fosters industry-wide trust through transparent and standardized mechanisms, promoting fair market competition and sustainable growth.

5.3.1 Trade Secrets

A Trade Secrets Management Committee has been established, chaired by the Assistant to the President, with designated business unit representatives serving as trade secret managers. The Committee oversees the Company's trade secret management, formulating and implementing major policies for trade secret protection. Trade Secret Management Measures and Trade Secret Compliance Manual and other documents are formulated and implemented in each department, and the person in charge of trade secret management in each department carries out trade secret identification and classification of information generated in the department. An online process for "trade secret declaration" is established and departments are organized to actively declare relevant trade secret information and management.

5.3.2 Export Compliance

Evaluate and optimize the operation of the company's trade control compliance system based on actual business development, revise documents such as the Export Control Compliance Manual and the Export Control and Sanctions Compliance Policy, further standardize the requirements for filling in export control information in business processes, and strengthen the management and control of trade control compliance risks in key areas of the company, particularly in business segments such as sales and procurement.

5.3.3 Responsible Marketing

The Company firmly resists exaggerated, over-marketed and risk-concealing promotional methods. The Company adheres to the "three principles" of scientific promotion planning, visualized promotion processes, and standardized promotional actions, focusing on key areas such as marketing, sales, and after-sales service to establish a responsible marketing system that ensures the authenticity and effectiveness of all promotional information.

Policies and System: External Publicity Materials and Precautions for the CCTC Technology Brand of SUPCON Technology, various product enterprise standard documents, 5S Store Operation Standardization Manual (June 2024 Edition), release of various types of sales contract templates, After-sales Service Handbook, and so on.

Major Initiatives:



Transparent Marketing: Regulate the creation of external promotional content to guarantee its truthfulness and effectiveness, while steering clear of over-packaging and aggressive marketing



Regulating Sales Practices: Publish a standardized sales contract template that stipulates agreements on product quality and information confidentiality



Regulating After-Sales Service: Communicate service commitments to users through channels such as the company website, sales contracts, service contracts, and the 5S one-stop service platform, while providing customers with detailed product manuals and comprehensive, accurate product information, including after-sales service commitments and related details



We enhance employees' professionalism and business competence, deeply understand customers' expectations and needs, communicate truthfully about the features and limitations of products or services, avoid false advertising and misrepresentation, and commit to providing high-quality products or services to ensure that they meet customers' expectations.



We insist on being close to customers, practice the service commitment of "24-hour online, 2-hour response", and continue to strengthen the construction mode of "5S shop + S2B platform + forward warehouse". As of December 2024, we have built a total of 200. As of October 2024, we have built 200 5S shops to understand and respond to customers' needs in a timely manner.



We innovate the operation mechanism of 5S shops to fully stimulate the awareness of active service; upgrade the business functions of 5S shops to support efficient interconnection among the Company, 5S shops and customers, and enhance the sense of customer experience and recognition of 5S shop service expeditiously.

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.

Internal Control Management Mechanism: In accordance with the provisions of the Basic Standard for Internal Control of Enterprises and its accompanying guidelines, the Company has implemented and improved the Internal Control Evaluation System, the Internal Control Management System and other documents, and has carried out the internal control evaluation work covering the internal environment, risk assessment, control activities, and information and communication, taking into account the actual situation of the Company and its branches and subsidiaries. Internal control evaluation covering internal environment, risk assessment, control activities, information and communication, internal supervision and other elements has been carried out, and there are no material omissions or significant deficiencies.

Internal Audit Management Mechanism: In line with basic framework of Internal Audit System and Internal Audit Procedures, the Company continuously optimizes the audit guidelines and norms, such as Procurement Management Audit Practice Guidelines, Special Audit Practice Guidelines for Costs, and Outgoing Audit Practice Guidelines. Following the principles of "comprehensiveness, significance and objectivity", the Company completed 37 internal audit projects and supervised 19 large-amount bidding projects throughout the year, comprehensively investigated, built up a solid line of defense, and simultaneously pushed forward the early-warning mechanism and supervisory measures, so as to provide a strong safeguard for the fulfillment of the Company's social responsibility.

5.7 Digital Intelligence Empowerment

5.7.1 Strategic Planning for Digital Transformation

Grounded in the vision of "Becoming a Global Leader in Industrial AI, Driving Sustainable Industrial Development with AI", we prioritize the ALLin AI strategy. We strive to deliver a digital SMILE experience that is Simple, Mobile, Intelligent, Link-ALL, and Exact. Our two primary goals are to eliminate operational confusion within the company and clarify market uncertainties outside, deeply incorporating AI into our digital transformation process to establish an AI-driven intelligent governance system, aiming for a comprehensive improvement in corporate governance capabilities.

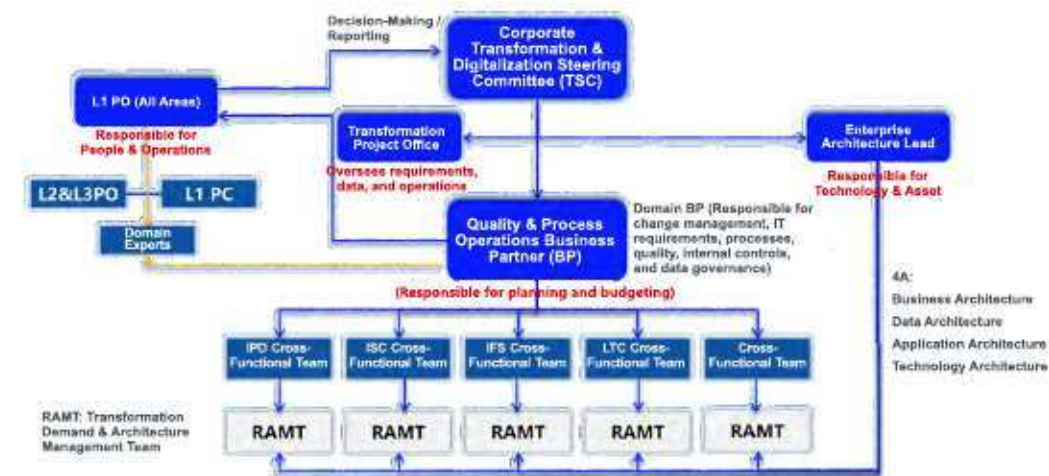
Governance:

Since 2023, SUPCON has established a Digital Transformation Change Project Working Group, which was renewed as a Change and Digital Transformation Committee in 2024, to make delegated management decisions in Change and Digital Transformation and to support the EMT in making management decisions.

- ⊕ Responsible for developing the Company's strategic plan for change and digital transformation and overseeing the implementation of all digital decisions
- ⊕ Responsible for reviewing and approving policies, processes, specifications and systems related to change and digital transformation Review the progress and achievement of the implementation of the Company's major change and digital transformation projects

- ⊕ Responsible for formulating the guiding principles, planning and framework of the Company's process management; responsible for building and integrating the Company's process architecture and pulling through the cross-business system
- ⊕ Establish a sound performance appraisal for digital transformation and develop the Organizational Performance Management System and the Individual Performance Management System.

Organizational Structure of the Change and Digital Transformation Committee:



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	- 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:

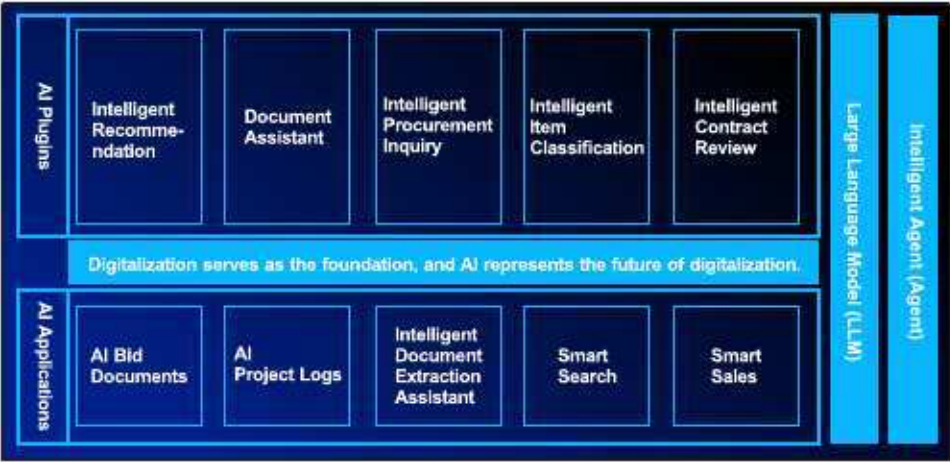
Digital transformation is a long-term and complex process involving technological, business, organizational, process, and cultural dimensions. Effective management of risks in the digital transformation process can be achieved through the creation of benchmark cases, adherence to relevant standards and 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 ten 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 promoted 56 digitalization projects and landings, and continued to push forward the construction of Digital Intelligence Supcon
	The Company has met the DCMM Data Management Capability Maturity Quantitative Management Level standard and successfully built industry-leading data management capabilities	During the reporting period, we 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

5.7.2 Digital Transformation Initiatives and Outcomes

The strategic goal of the Company's data development initiative is to clarify operational and market ambiguities, which facilitates efficient growth. This objective is pursued through a comprehensive data management framework focusing on three primary areas: data foundation, data utilization, and data governance, aimed at enhancing data management proficiency and maximizing data value. The Company has promoted 56 digital projects in 2024, attaining a digital coverage rate of 91% in core areas including LTC, D&S, ISC, and IPD, which has translated to an annual improvement in workforce efficiency by 404.4 full-time equivalents.

Data Base:

- ⊕ The Company has continuously promoted the construction of the data lake to support the daily 2TB of data into the lake, providing a solid data foundation for the data warehouse and data application.
- ⊕ The Company has implemented a real-time data warehouse, established the SUPCON real-time data warehouse solution that integrates streaming and batch processing and allows for dynamic scaling. This has greatly improved the company's data service capabilities.
- ⊕ The Company has consistently constructed and improved the indicator system for its core business domains, having developed frameworks for six critical areas: finance, sales, engineering, supply chain, and human resources. More than 1,200 business indicators have been created and deployed, facilitating online digital operations analysis and offering essential data support for business decisions.

Data Applications:

- ⊕ The Company has completed the transformation and upgrading of its data application delivery model, transforming it from on-demand delivery to self-service, which greatly enhanced the convenience and flexibility of business access to and use of data.
- ⊕ The Company has constructed and put online the Company-level data intelligence battle center to support the three core analysis meetings of management, operation and sales, so as to achieve data command battle.

⊕ The Company has extensively built a sales business command center and dashboard, enabling digital operational management for the primary management team and implementing a key indicator warning notification system.

⊕ The Company is actively exploring the application of BI+AI technology, implementing innovative applications such as ChatBI+ Intelligent Data Operations Centre and ChatBI+ Mobile, and promoting AI technology to empower business.

Data Governance:

⊕ Through the implementation of data governance, data consistency, accuracy and availability are enhanced to provide reliable data protection for the Company's business operations and strategic decisions, and to increase the value of data assets.

⊕ The Company has steadily solidified its data management capacity by carrying out governance on core operational indicators, resulting in a substantial improvement in the standards and quality of critical data and the exploration of the company's data governance methodologies

⊕ The Company has enhanced a data security management mechanism and capabilities, conducted data classification and grading, formulated data security management strategies, and deployed and implemented a data security management platform to effectively control core data security

⊕ The Company has actively promoted the construction of data management Organization, established a three-tier organizational structure of data decision-making layer, management layer and executive layer, and set up data owner and data steward in eight core business areas.

⊕ The Company has continuously strengthened its data management policies and processes, issuing 11 regulations on data quality, data security, and data lifecycle, while also establishing 15 management workflows for data ingestion, application development, and quality audits.

⊕ The Company has established a data governance performance appraisal system to ensure the ultimate realization of data governance objectives through a reasonable and effective incentive and accountability mechanism.

XII. ESG Data Sheet

Economic Performance

Economic Indicator	Unit	2024	2023	2022
Operating income	RMB	9,138,514,049.21	8,619,910,802.44	6,623,856,546.82
Basic earnings per share	RMB	1.42	1.44	1.11
Net profit attributable to shareholders of listed companies	RMB	1,116,986,722.13	1,101,763,732.92	797,929,183.55
Net profit attributable to shareholders of listed companies after deduction of non-recurring gains and losses	RMB	1,037,617,760.39	947,493,611.35	683,015,627.34
Net cash flows from operating activities	RMB	433,952,564.82	191,430,934.79	360,264,879.91
Weighted average net-assets yield	%	11.14	13.70	16.44

Environmental performance:

Greenhouse Gas Emission Performance

Quantitative disclosure Matter	Unit	2024	2023	2022	Formula	Source/Basis of Parameters
Total Greenhouse Gas Emissions ^a	tCO ₂ e	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 ^b	tCO ₂ e	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 ^c	tCO ₂ e	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	
Scope III Greenhouse Gas Emissions ^d	tCO ₂ e	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	/

^aThe 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).

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

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

^dScope 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

Quantitative disclosure Matter	Unit	2024	2023	2022	Formula	Source/Basis of Parameters
Category 1 ¹¹	tCO ₂ e	238,834.47	/	/	Emissions from purchased goods and services = $\sum (\text{Volume of goods purchased} * \text{Emission factor for purchased goods or services})$	China Product Life Cycle Greenhouse Gas Emission Factor Set (2022), China Product Life Cycle Greenhouse Gas Emission Factor Library (https://lca.cityghg.com), Ecoinvent 3.10 database, etc.
Category 2 ¹¹	tCO ₂ e	1,216.53	/	/	Emissions from capital goods = $\sum (\text{Volume of capital goods purchased} * \text{Emission factor of capital goods purchased})$	
Category 3 ¹²	tCO ₂ e	3,268.53	/	/	Emissions from fuel and energy-related activities = $\sum (\text{Fuel consumption} * \text{upstream fuel emission factor}) + \sum (\text{Electricity consumption} * \text{upstream electricity emission factor}) + \sum (\text{Electricity consumption} * \text{transmission and distribution losses emission factor})$	
Category 4 ¹³	tCO ₂ e	10,325.65	/	/	Emissions from upstream transport and distribution = $\sum (\text{weight of goods purchased} * \text{mileage transported} * \text{mode of transport or vehicle type emission factor})$	
Category 5 ¹⁴	tCO ₂ e	469.75	/	/	Waste emissions generated from operations = $\sum (\text{Waste generated from operations} * \text{Specific emission factors for waste types and their treatment})$	
Category 6 ¹⁵	tCO ₂ e	5,006.84	/	/	Business travel emissions = $\sum (\text{distance travelled by business travel transport mode} * \text{mode-specific emission factor})$	
Category 7 ¹⁶	tCO ₂ e	703.39	/	/	Employee commuting emissions = $\sum (\text{total distance travelled by commute type} * \text{commute mode-specific emission factor})$	
Category 13 ¹⁷	tCO ₂ e	8,331.15	/	/	Downstream leasehold emissions = $\sum (\text{Scope 1 \& Scope 2 emissions per tenant})$	
Greenhouse gas emissions (Scope 1 & Scope 2) per unit revenue	tCO ₂ e/10,000 RMB	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	2,194.9	/	/	Absolute values for the reporting period	/

¹¹Outsourced 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)

¹²Capital Goods: extraction, production and transport of capital goods purchased or acquired by the reporting enterprise in the reporting year

¹³Fuel and Energy-Related Activities (portion not included in Scope 1 and Scope 2): the extraction, production and transport of fuel and energy (portion not included in Scope 1 and Scope 2) 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

¹⁴Upstream 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)

¹⁵Waste generated from operations: treatment/disposal of waste generated during the reporting period (facilities not owned or controlled by the reporting enterprise)

¹⁶Business travel: Transportation of company employees in connection with business activities during the reporting period (using vehicles not owned or operated by the reporting enterprise)

¹⁷Employee 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)

¹⁸Downstream 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

Energy Utilization Performance

Quantitative disclosure Matter	Unit	2024	2023	2022	Formula
Combined Energy Consumption ¹⁸	tce	2,660.23	2,158.34	1,930.07	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) ¹⁹
Of which: by type of energy					
Power	kW·h	16,208,481	15,014,200	13,569,622	Absolute values for the reporting period
Natural gas	m ³	332,670	86,529	71,725	Absolute values for the reporting period
Gasoline	L	223,947	191,809	138,829	Absolute values for the reporting period
Diesel	L	17,597	30,538	19,926	Absolute values for the reporting period
Direct energy consumption ²⁰	tce	668.21	313.09	262.36	Direct energy consumption = natural gas consumption * coal equivalent coefficient + petrol consumption * coal equivalent coefficient + diesel consumption * coal equivalent coefficient
Indirect energy consumption ²¹	tce	1,992.02	1,845.25	1,667.71	Indirect energy consumption = electricity consumption * standard coal conversion factor
Energy Consumption Intensity (level of consolidated energy consumption per unit of revenue)	tCO ₂ e/10,000 RMB	0.0029	0.0025	0.0029	Energy Consumption Intensity = Consolidated Energy Consumption during the reporting period / Operating Revenue during the reporting period

Clean Energy Use

Quantitative disclosure Matter	Unit	2024	2023	2022	Formula
Clean Energy Consumption	tce	725.44	305.91	295.07	Clean energy use = solar energy * coal equivalent coefficient + natural gas * coal equivalent coefficient
Of which, solar	kw·h	2,302,630	1,552,660	1,624,700	Absolute values for the reporting period
Natural gas	m ³	332,670	86,529	71,725	Absolute values for the reporting period

¹⁸Comprehensive energy consumption: Total amount of various energy consumption converted to tons of standard coal during the reporting period

¹⁹Coal Equivalent Coefficient: Gasoline 1.4714kgce/kg, Diesel 1.4571kgce/kg, Natural Gas 1.33kgce/m³, Electricity 0.1229kgce/kg. 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)

²⁰Direct Energy Consumption: Consumption resulting from the direct use of energy resources for production and living including: petrol, diesel, natural gas, etc.

²¹Indirect 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

Resource utilization performance

Quantitative Disclosure Matter	Unit	2024	2023	2022	Formula
Total water consumption ²²	m ³	62,743	53,200	46,601	Absolute values for the reporting period
Water consumption per unit revenue	m ³ /10,000RMB	0.069	0.083	0.087	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 ²³	t	3,139	3,758	3,577	Absolute values for the reporting period
Proportion of recyclable materials in product packaging materials ²⁴	%	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	2024	2023	2022	Formula
General industrial solid waste emissions ²⁵	t	1,098.7	1,065.5	821.52	Absolute values for the reporting period
Comprehensive utilization rate of general industrial solid waste ²⁶	%	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 ²⁷	t	35.46	35.69	28.08	Absolute values for the reporting period
Emission intensity of hazardous wastes	t/10,000RMB	0.000038	0.000041	0.000042	Hazardous waste emission intensity = Hazardous waste emissions during the reporting period / Operating income during the reporting period
Hazardous waste compliant disposal rate ²⁸	%	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	337	526	465	Absolute values for the reporting period
Investment in environmental protection	10,000RMB	133.96	95.04	67.68	Absolute values for the reporting period

²²Actual amount of water resources consumed by an enterprise's production and operation activities during the reporting period

²³Total use of packaging materials by an enterprise during the reporting period

²⁴Weight 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

²⁵Solid 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

²⁶The 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

²⁷Waste that is listed in the National List of Hazardous Wastes or is identified as having one of the hazardous characteristics of explosiveness, flammability, oxidation Susceptibility, toxicity, corrosiveness, susceptibility to infectious diseases, etc., in accordance with the hazardous waste identification criteria and identification methods prescribed by the State

²⁸The 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

Social performance

Employee Performance

Quantitative Disclosure Matter		Unit	2024	2023	2022	Formula
Total employees		Person	5,552	6,473	6,117	Absolute values for the reporting period
By gender	Male	Person	4,329	5,053	4,782	Absolute values for the reporting period
	Female	Person	1,223	1,420	1,335	Absolute values for the reporting period
By education	Below bachelor's degree	Person	1,093	1,572	1,617	Absolute values for the reporting period
	Bachelor's degree	Person	3,707	4,137	3,866	Absolute values for the reporting period
	Master	Person	721	736	611	Absolute values for the reporting period
	Doctor	Person	31	28	23	Absolute values for the reporting period
Categorized by nationality	Number of employees in China	Person	5,274	6,218	6,005	Absolute values for the reporting period
	Number of employees outside China	Person	278	255	112	Absolute values for the reporting period
Categorized by age	Total number of employees aged 30 and below	Person	1,831	2,446	2,801	Absolute values for the reporting period
	Total number of employees aged 31-50	Person	3,476	3,754	3,123	Absolute values for the reporting period
	Total number of employees aged above 50	Person	245	273	193	Absolute values for the reporting period
Proportion of women	Proportion of women in leadership positions	%	12.8	12.50	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	%	12.9	13.80	12.61	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	%	23.4	20.90	23.26	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	%	22.44	19.50	16.40	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	%	22.52	19.70	17	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	%	22.16	16.40	14.60	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	%	23.53	26.20	21.70	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	%	20.88	14	31.10	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	2024	2023	2022	Formula
Employee turnover rate	Turnover rate of employees aged above 50	%	36.17	21.70	6.80	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	%	22.32	18.60	16.30	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	%	27.61	20.60	22.50	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	2024	2023	2022	Formula
Investment in employee training	10,000 RMB	1,715	3,365	2,720	Absolute values for the reporting period
Training person-hours throughout the year	Number of participants * class hours	258,934	315,172	165,473	Absolute values for the reporting period
Training hours per person throughout the year	Hour	48.45	49.60	27.05	Annual per capita training hours = total training hours during the reporting period / total number of employees
Training coverage for male employees	%	70.07	89.73	56.38	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	17.97	21.86	19.15	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	%	48.22	95.89	49.74	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	11.45	15.38	17.68	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	2024	2023	2022	Formula
Training coverage for the leadership	%	63.30	86.39	78.22	Training participation rate of management = number of management trained / total number of management * 100%
Average number of hours of training for the leadership	Hour	37.12	35.48	33.12	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	12,558	/	/	Absolute values for the reporting period
Participation rate of occupational health training	%	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	16,631	19,211	16,777	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	2024	2023	2022	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	556.07	488.6	545.4	Absolute values for the reporting period

Product Quality and Service Performance

Quantitative Disclosure Matter	Unit	2024	2023	2022	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	2024	2023	2022	Formula
Amount of R&D investment	RMB	978,005,205.11	907,806,992.67	692,271,597.21	Absolute values for the reporting period
Ratio of the investment in R&D to the operating income	%	10.70	10.53	10.45	$\text{R\&D investment ratio} = (\text{R\&D investment during reporting period} / \text{operating revenue}) * 100\%$
Number of R&D staff	Person	2,168	2,219	2,092	Absolute values for the reporting period
Ratio of R&D staff to total employees	%	39.05	34.28	34.20	$\text{Ratio of R\&D personnel to total number of employees} = \text{R\&D personnel} / \text{total number of employees during the reporting period} * 100\%$
Number of trademark applications	Case	40	22	78	Absolute values for the reporting period
Number of approved trademarks	Case	8	21	65	Absolute values for the reporting period
Number of patents in force during the reporting period	Each	745	669	522	Absolute values for the reporting period
Number of patents for inventions applied to the main business	Each	575	467	355	Absolute values for the reporting period
Number of new patent applications during the reporting period	Each	346	412	352	Absolute values for the reporting period
Number of new patents granted during the reporting period	Each	134	147	134	Absolute values for the reporting period

Social Welfare

Quantitative Disclosure Matter	Unit	2024	2023	2022	Formula
Amount of external donations	RMB	100,000.00	690,000.00	150,000.00	Absolute values for the reporting period
Value of externally donated goods	RMB	1,013,100.00	1,070,747.95	0.00	Based on third-party assessment reports

Sustainability - related Governance Performance

Corporate Governance Performance

Quantitative Disclosure Matter	Unit	2024	2023	2022	Formula
Number of board members	Person	7	7	7	Absolute values for the reporting period
Number of women in the board of directors (BOD)	Person	0	0	1	Absolute values for the reporting period
Percentage of female directors in the BOD	%	0.00	0.00	14.29	$\text{Percentage of female directors in the BOD} = \text{number of female members in the BOD} / \text{number of board members during the reporting period}$
Number of independent directors in the BOD	Person	3	3	3	Absolute values for the reporting period
Percentage of independent directors in the BOD	%	42.86	42.86	42.86	$\text{Percentage of independent directors in the BOD} = \text{Number of independent directors in the BOD} / \text{number of board members during the reporting period}$
Number of outside directors in the BOD	Person	6	6	5	Absolute values for the reporting period
Percentage of outside directors in the BOD	%	85.71	85.71	71.43	$\text{Percentage of outside directors in the BOD} = \text{number of outside directors in the BOD} / \text{number of board members during the reporting period}$
Number of general meetings of shareholders	Time	5	4	3	Absolute values for the reporting period
Number of board meetings	Time	9	8	10	Absolute values for the reporting period
Number of supervisory board meetings	Time	8	6	8	Absolute values for the reporting period
Number of meetings of special committees under the BOD	Time	15	12	15	Absolute values for the reporting period

Performance of Anti-commercial Bribery and Anti-Corruption

Quantitative Disclosure Matter	Unit	2024	2023	2022	Formula
Percentage of management personnel participating in anti-bribery and anti-corruption trainings	%	100	100	100	$\text{Percentage of management personnel participating in anti-bribery and anti-corruption trainings} = \text{Managers who participated in anti-commercial bribery and anti-corruption training during the reporting period} / \text{total number of management personnel}$
Anti-commercial bribery and anti-corruption training participants	Person	5,264	12,862	1,116	Absolute values for the reporting period
Participation rate of anti-commercial bribery and anti-corruption training	%	100	100	100	$\text{Participation rate of anti-commercial bribery and anti-corruption training} = \text{number of employees participating in anti-commercial bribery and anti-corruption training during the reporting period} / \text{total number of employees}$

Performance of Anti-unfair Competition Management

Quantitative Disclosure Matter	Unit	2024	2023	2022	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

XIII. 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
	201-3 Defined benefit plan obligations and other retirement plans	4.1.8 Welfare Care
GRI 203: Indirect Economic Impact in 2016	3-3 Management of substantive topics	I. Assessment of Topic Relevance
	203-2 Significant indirect economic impact	3.1 Responding to Climate Change
GRI 205: Anti-corruption in 2016	3-3 Management of substantive topics	5.2 Anti-Bribery and Anti-Corruption
	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

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
	301-3 Recycled products and their packaging materials	3.3.3 Water Resource Utilization & Circular Economy
GRI 302: Energy in 2016	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)
	302-4 Reduction of energy consumption	3.2.2 Contribution to Emission Reduction in Operations
GRI 303: Water and waste water in 2018	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
	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)
GRI 305: Emissions in 2016	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)
	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
	305-7 Nitrogen oxides (Nox), sulfur oxides (SOx) and other significant air emissions	3.3.2 Waste Disposal and Pollutant Discharge
GRI 306: Wastes in 2020	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)
	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	403-10 Work-related health problems	4.2 Occupational Health & Safety
	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
GRI 405: Diversity and Equal Opportunity in 2016	404-2 Employees' skill improvement and transition assistance programs	4.1.6 Staff Training, KPI Statement - Training
	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

SUPCON